

Daniloff deal hinted

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Stocks in modest drop

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Aerial view (left) of the funeral procession in Istanbul yesterday of victims of the synagogue terrorist attack last Saturday. Right, anguished relatives cling to the coffin of one of the victims. (Full story on Page 2) (AFP & Reuters telephotos)



Two suspects seized at Turkish border

Jerusalem Post Staff and Agencies
ISTANBUL. — Two men, an Iranian and a Lebanese, were arrested on Tuesday night near Turkey's border with Greece and are being investigated in connection with the Istanbul synagogue massacre, Turkey's Anatolian news agency reported yesterday.

The two were arrested when they entered the sealed-off border town of Adima, the report said. More than 120 Arabs and Iranians have been detained by Turkish authorities in connection with Saturday's terrorist attack in which 21 Jews died, Cairo Radio reported.

But Istanbul police said yesterday that the inquiry "is not making headway."

The statement followed publication of police identikit of the two gunmen who burst into the Neveh Shalom synagogue during Sabbath prayers. Police have called on the population for information about identity of the attackers.

State Prosecutor Aytekin Gani Ataman said on Tuesday that the authorities have not yet determined which organization the gunmen belonged to, or how they had brought their weapons into Turkey.

Meanwhile, U.S. Defence Secretary Caspar Weinberger said that the attack on the Pan Am airliner hijacked last week in Karachi bore all the marks of having been perpetrated by Abu Nidal's group. Weinberger was the first U.S. official to publicly link Abu Nidal to the Karachi incident.

But he added that other groups could have been involved together with Abu Nidal.

The defence secretary, whose remarks were reported yesterday in *The Washington Post* and *The New York Times*, indicated that the U.S. administration was not planning immediate retaliation.

"I think you have to know more about a situation of that kind," he said, attributing his information to "basic intelligence sources."

In Europe, West German Chancellor Helmut Kohl and French Prime Minister Jacques Chirac have requested a meeting of the European Community ministers responsible for security. The German and French leaders met in Paris on Tuesday to discuss terror threats.

Druse village rocketed

IAF hits terrorists, Navy foils boat raid

By DAVID RUDGE and Post Military Staff
Senior IDF officers are playing down the seriousness of the security situation in the north, despite a recent spate of terror incidents.

OC Northern Command Aluf Yossi Feled said yesterday that he saw no escalation of terror in the north. Yesterday morning both the Navy and the Air Force launched retaliatory strikes against terrorist targets in Lebanon in response to recent attacks.

A Katyusha rocket exploded on Tuesday night in the centre of Hureifeh, a Druse village in the Upper Galilee, causing extensive property damage, but no injuries.

Early yesterday morning, the Navy foiled an attempt by terrorists belonging to Abu Nidal's Palestine Liberation Front who tried to infiltrate from the sea. The armed terrorists came under fire from a patrol boat that sighted their dinghy off the coast of Southern Lebanon and ordered it to stop. The dinghy managed to return to shore, but one terrorist was injured. According to one report the man was killed.

In retaliation for this, the second such attempt in two months, Israeli jets bombed terrorist positions on the outskirts of Sidon. Three civilians were reportedly killed and 13 wounded in three dawn strikes.

"This is part of Israel's ongoing effort to hit at Palestinian terrorist positions in Lebanon," one IDF official said. "It was immediate retaliation for an infiltration attempt by four terrorists carrying a great deal of ammunition."

Lebanese security sources said Israeli helicopter gunships, escorted by a fighter plane, had blasted an industrial area on Sidon's outskirts with air-to-ground rockets or missiles.

Witnesses said hundreds of people had fled their homes. More than 100 shops were wrecked or damaged and the helicopters scored direct hits on a three-storey building, which was flattened in the attack.

"It was like an earthquake," said one resident. "It tore doors off their hinges and the sky was full of smoke."

There were conflicting reports on whether an arms depot was hit.

Sidon, and the nearby Palestinian refugee camp of Ein-Hilweh, were both placed on alert this week because of fears of a possible Israeli assault.

Residents earlier said they had feared a raid in retaliation for last Saturday's attack on Istanbul's Neveh Shalom synagogue.

Tuesday night's Katyusha attack was the third in the Galilee region following last week's "punitive and pre-emptive" strike by the IDF against a terrorist base north of the security zone.

Army sources have not ruled out the possibility that the Katyusha attacks were the terrorists' way of showing they were still in business. But they stressed that there had not been an increase in the number of rockets fired from across the border.

The Katyusha that fell in Hureifeh was a 122mm. rocket and, like the previous rockets, is believed to have been fired from north of the security zone.

Rabin, Shultz discuss cooperation on terror

By WOLF BLITZER, Jerusalem Post Correspondent
WASHINGTON. — "Israel and the U.S. will continue to cooperate to eradicate terrorism," Defence Minister Yitzhak Rabin declared last night, after his meeting with U.S. Secretary of State George Shultz.

Rabin, who met with Shultz for over an hour, said that Israel did not yet know the identity of the terrorists involved in the most recent incidents in Istanbul and Karachi. But he said that there was a need to fight the "roots" of this terrorism — namely Syria, Libya and Iran. He insisted that terrorism was the "main obstacle in the peace process."

Rabin came to the State Department after having two previously unannounced meetings with CIA director William Casey and Secretary of the Navy John Lehman.

During the meeting with Lehman, Rabin reviewed Israel's pending request to obtain diesel-powered submarines from the U.S.

Rabin said he did not anticipate any major breakthrough during today's summit in Alexandria. But he hoped the Peres-Mubarak meeting would strengthen Israeli-Egyptian ties and that later some progress in the broader peace process would become possible.

Rabin stressed the need to weaken the PLO's influence on the West Bank and Gaza and to strengthen more moderate non-PLO elements.

Rabin arrived in Washington earlier in the day from New York. He is to meet Defence Secretary Caspar Weinberger at the Pentagon today, when Israeli officials say he will press Israel's case for receiving the same terms as America's NATO allies in

purchasing weapons and winning defence contracts.

U.S. and Israeli officials said that the development of the Lavi jet fighter was not expected to be discussed in much detail since the Pentagon was still in the midst of preparing a study of various alternatives to the Lavi.

In an interview yesterday in *The Wall Street Journal*, Rabin said Israel's navy would seize any ships suspected of carrying arms to terrorists, whether or not they were in international waters.

"Some people may call it piracy," he said, "but we don't hesitate to stop every ship that might carry arms."

Every ship that violated international law, he said, they were a lesser violation than transporting arms to terrorists.

Rabin urged the U.S. to make its airlines and diplomatic missions more terrorist-proof.

He said that terrorists would be deterred if Libya and Syria saw that the U.S. and Israel were working together. After the U.S. bombing of Libya in April, he said, Syria had been more careful, because it believed that there was an agreement that the U.S. would handle Libya and Israel would take care of Syria.

Rabin is also slated to see National Security Adviser John Poindexter later today, and is also due to meet separately with Democratic Representative David Obey, chairman of the House Appropriations Subcommittee on Foreign Operations, and Republican Representative Jack Kemp.

Tomorrow, Rabin has been invited to the White House to meet with Vice President George Bush.

Taba deal closed; Peres, Mubarak to meet today

By YEHUDA LITANI and HIRSH GOODMAN, Jerusalem Post Correspondents
CAIRO. — Israel and Egypt were set late last night to sign the *compromis* document referring the Taba issue to arbitration, after four days of marathon talks. The breakthrough, announced at 10 o'clock last night, came after 11 hours of negotiations between Egyptian, Israeli and American diplomats at the Foreign Ministry here.

Leaving the meeting exhausted but satisfied, Avraham Tamir, director-general of the Prime Minister's office, refused to specify the exact language of the *compromis*. But he said that both stubborn issues of controversy — the naming of three arbitrators and the placement of border stone number 91 — had been resolved by compromises on both sides.

Tamir told reporters that the Israeli summit team would be heading for Alexandria this morning in time for the meeting between President Mubarak and Prime Minister Peres due to take place here at 11 a.m.

It is understood that the Palestinian issue will dominate the summit agenda.

Senior Israeli sources told *The Jerusalem Post* last night that the prime minister was "coming prepared" with the final details hastily put together last night.

It is also understood that Israel and Egypt will agree to international participation in the peace process, with Israel insisting, however, that any country party to the process must have diplomatic relations with Israel.

Israeli and Egyptian officials, particularly Tamir and Egyptian presidential adviser Osama el-Baz, have been working to prepare a detailed agenda.

Israeli, Egyptian and U.S. delegates spent the whole of yesterday ironing out the final problems of the Taba *compromis*. American envoy Richard Murphy was in constant touch with the two sides, and it was rumoured that President Reagan had intervened directly to complete the discussions. Chief Israeli negotiator David Kimche

would "neither confirm nor deny" this report.

Yesterday's discussions dealt mainly with the language of the *compromis*, with Tamir reporting to Peres, Kimche reporting to Foreign Minister Shamir and the Egyptians in constant contact with Mubarak in Alexandria. One of the participants in the talks told *The Post* last night that it was "incredible how much time people could spend talking about so little."

Egyptian Foreign Minister Esmat Abdel-Meguid said the arbitration itself would be in one month's time.

Israeli negotiator David Kimche told newsmen that the three international arbitrators agreed upon by Israel and Egypt were legal experts.

It is understood that during the day the Egyptians wanted a clear undertaking from Israel that there would be no Israeli reprisal for the Turkish synagogue massacre before, during or after the summit — "for a respectable period of time."

The demand came in the wake of Israel's attack against Palestinian targets in Sidon yesterday, and with the memory of Israel's attack on the Iraqi nuclear reactor, which came shortly after the late president Sadat's meeting with Menachem Begin in 1981.

The Egyptian opposition press yesterday denounced the prospect of the summit. But in general, the Egyptian press has confined itself to reporting the facts with no comment.

As Tamir left the Egyptian Foreign Ministry to give reporters the news, he was greeted with salutations of *mubarak* ("congratulations") by the dozens of waiting Egyptian journalists.



Israeli delegation leader Avraham Tamir announces the agreement on the Taba issue in Cairo last night. (Reuters telephoto)

Shamir declined to join summit

By BENNY MORRIS and ROY ISACOWITZ, Jerusalem Post Reporters
Prime Minister Peres several weeks ago invited Foreign Minister Shamir to join him at the Alexandria summit. But Shamir turned him down.

A spokesman for Shamir explained yesterday that Shamir had not wanted to go "with someone as a number two". If and when he goes, "he will go as a leader."

Peres this week invited Likud MK Dan Meridor to accompany him. Meridor, after receiving Shamir's consent, is to fly to Alexandria in Peres's plane.

Also accompanying Peres will be the chairman of the Knesset Foreign Affairs and Defence Committee Abba Eban. Minister-without-Portfolio Ezer Weizman, the widow of Uri Talmor, the Defence Ministry's representative to the Taba talks who died several weeks ago of meningitis, and the editors of most of Israel's newspapers.

Peres yesterday discussed the impending summit "a number of times" with Shamir, who stressed that Peres should focus on bilateral and normalization of relations issues.

Shamir said that if other issues cropped up, he hoped that Peres

would "remain within the national unity government guidelines," said the foreign minister's spokesman.

The inner cabinet is to meet this morning before Peres's departure to hear a report on the agreements reached yesterday in Cairo.

Likud ministers were divided yesterday over what approach Peres should take at the summit and over what value the summit would have. Tourism Minister Sharir advised his Likud colleagues to "stop criticizing the summit, and see the significance of the meeting." When speaking of the future of Israel, Sharir said, "we cannot see it as a question of pride."

Debate on GSS attorneys postponed

By MENACHEM SHALEV, For The Jerusalem Post
The Knesset Law Committee convened yesterday in Tel Aviv to deal with the rift between the State Attorney's office and the Shin Bet (General Security Service). But the committee's members decided there would be no discussion of the matter until Prime Minister Peres's attempts to resolve the dispute are completed.

The committee could not agree on the agenda for the meeting. MKs Mordechai Virshupski (Shinui) and Shulamit Aloni (Citizens Rights Movement) demanded that the continued service of the two pardoned Shin Bet attorneys be discussed.

Likud MKs Michael Eitan and Dov Shilanski who sharply condemned both the state attorneys and the 25 legal scholars who petitioned the Prime Minister on the matter, said that the Israel Bar was the only proper forum to discuss the men's fate.

But MK David Libai (Labour) told the committee that he was seeking a resolution of the problem. He said he assumed that the two attorneys — who have admitted to suborning witnesses to lie to three commissions investigating the killing of two terrorists taken alive after a bus hijacking — would leave their posts within the next few days. If they do not do so of their own volition, he

said, he assumed that the new Shin Bet head would remove them from their posts.

The Israel Bar intends to initiate disciplinary proceedings leading to possible disbarment of the two attorneys, as soon as it receives their names and the details of their offences.

The State Attorney's office has refused to cooperate with the Shin Bet legal department under a directive issued by former attorney-general Yitzhak Zamir. But state prosecutors are prepared to represent the Shin Bet by working directly with field operatives. That offer has been rejected by the Shin Bet.

Francisco Fernandez Ordonez, the visiting Spanish foreign minister, believes that Syria "feels threatened" by Israel and that Syria's arms build-up, usually defined by Damascus as a quest for "strategic parity," is geared to meeting this threat.

This, at least, was the impression apparently gathered by Ordonez from his meetings in Damascus a fortnight ago with the Syrian leadership, including President Hafez Assad. "The build-up is directed to their defence. They tried to convey this. I felt that they were conveying their real feelings," Ordonez said.

Spanish FM: 'Syria feels threatened'

In an interview yesterday in Jerusalem, Ordonez, apparently, suggested to the Syrians that Israel feels threatened by the Syrian military build-up. "Maybe the mutual fear creates a vicious circle of violence. This needs dialogue," he said.

Ordonez conveyed these impressions from his talks in Syria to Prime Minister Peres and Foreign Minister Shamir in his meetings with them in Jerusalem.

IN PERSON
BENNY MORRIS

Ordonez also discussed with the Syrians the problem of international terrorism, "about which Spain feels very strongly." The Syrians "said that they condemn very strongly terrorism, except with re-

gard to inside the occupied territories. They made an exception of the territories."

The Syrians also told Ordonez that they too were suffering from terrorism and were "unable to control all the terrorists within Syria and in Lebanon. They say they are victims (of terrorism)."

Ordonez said that the Syrian leaders "accept the idea of international dialogue" about the terrorist

problem, but did not elaborate. Ordonez said that Spain has made some proposals, in EEC forums, to combat terrorism and at the moment there is "a high level of cooperation (in this matter) with France."

Ordonez arrived on Tuesday from a two-day visit to Cairo, where his hosts impressed him as being "committed to the peace process."

I asked the foreign minister whether the establishment of diplomatic relations between Israel

(Continued on Page 2, Col. 1)

Hebrew University choice — pay cuts or dismissals

By BERNARD JODEPHS, Jerusalem Post Reporter
Hebrew University employees are facing a tough choice between pay cuts and sackings as the battle to save the debt-ridden institution goes on, its new head warned yesterday.

Prof. Amnon Pazy, who was appointed acting president at an emergency meeting of the Board of Governors last week, said his main concern was to persuade the university's 4,500 staff that the situation is "very, very serious."

"The future of the university is on the line. I am by no means convinced

that we can save the situation, but we must be ready to make big sacrifices and to try," he added.

Pazy, described by one university official as the man with the biggest headache in education, was speaking after a series of meetings of the special committee set up to wield the axe and wipe out the institution's crippling \$50 million-plus debt.

Also on the committee are accountant Dan Bavy, Bank Leumi's joint general manager Baruch Yekutieli, businessman Michael Federman and economist Prof. Pinhas Zussman.

Their first aim, said Pazy, was to wipe out the university's deficit for the current year, now running at about \$20m. Then he said they would tackle the accumulated debt of \$50m.

He went on: "The budget approved for this year already represents a cut of around \$10m. The rest of the reduction will have to come from what money we can raise and by further cutting. As more than 70 per cent of our spending is on salaries, the implication is clear."

He expected negotiations with the employees to start soon, and he

forecast a "very difficult year ahead."

Pazy said he and the committee had considered voluntary pay cuts. And he warned: "If we don't get them through agreement, then we will face sackings."

"The question is whether we will be able to impress on the staff the urgency of the situation. I don't think that they believe me right now when I say that the life of the university is threatened."

"But if we can't make the necessary cuts, then in a few months we'll be at the point where we won't be

able to pay wages at all."

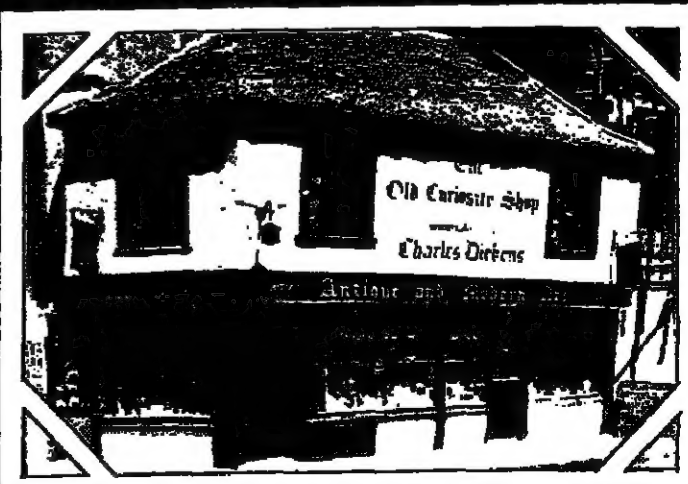
The banks could not be expected to go on bailing out the university indefinitely, he said. And a government takeover "which would be unprecedented" — would lead to wholesale firings.

"Everyone, from the president down to the messenger boys, has to be prepared for sacrifices, although the lowest paid will have to give up the least," he added.

A university source said that there was growing concern over the recommendations the committee is ex-

(Continued on Page 2, Col. 5)

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هكذا من اجل

Top Soviet official hints deal possible in Daniloff case

MOSCOW. — A senior Soviet official yesterday told a Western television interviewer that U.S. News and World Report correspondent Nicholas Daniloff was not guilty until judged and said his case should not be seen as unresolvable.

Valentin Falin of the Communist Party's Central Committee added that the "hiss" which has arisen in the West about Daniloff's detention in Moscow on spying charges could only harm him. He was speaking in an interview with the Norwegian Broadcasting Corporation.

Speaking to his wife yesterday, Daniloff said that KGB investigators like the idea of releasing him to the custody of the U.S. ambassador until his trial on spy charges, a colleague reported.

Daniloff called his wife from Lefortovo prison where he is being held. His wife was at the Moscow

office of U.S. News and World Report. Magazine reporter Jeff Trimble said he listened in and took notes.

The 51-year-old correspondent told his wife, Ruth, during a visit on Tuesday that he believed the best way to defuse U.S.-Soviet tensions over his jailing would be to release him and a Soviet citizen arrested in New York on spy charges, to their respective embassies.

In Washington, the government has said it is prepared to take action if the Soviet government does not release Daniloff from jail, but will not say what the steps might be.

A decision had been expected yesterday on whether President Ronald Reagan's administration would permit several senior officials to attend a conference in the Soviet Union next week. But White House officials said that decision could be

put off until the group is scheduled to leave.

The conference is sponsored by the Chautauque Institution, a private cultural centre near Buffalo, New York. Daniloff's wife has said their attendance would be "very inappropriate."

Daniloff was arrested on August 30 and formally charged with spying last Sunday.

The House of Representatives yesterday joined the Senate in unanimously condemning the detention of the journalist.

Representatives voted 393 to 0 to demand Daniloff's immediate release.

The Senate passed a similar resolution by 93 to 0 on Tuesday. White House spokesman Larry Speakes said the votes reflected a national consensus on the affair. (Reuters, AP)

Fierce battles near Kabul

ISLAMABAD, Pakistan (AP). — Muslim guerrillas are mounting their biggest offensive in years against the Afghan capital of Kabul and Soviet and government forces backed by jets and tanks are trying to force the insurgents back, according to reports yesterday.

Guerrilla groups based in the Pakistani border city of Peshawar said their units had been locked in heavy fighting for the past week in the Paghman district about 20 kilometres north of the capital. There was also fighting in Qarabagh to the south of the city, they said.

Abdul Haq, one of the guerrillas' top military commanders who returned from Kabul during the weekend, told the Associated Press that insurgent forces had been attacking the city with rockets and mortars daily. Guerrilla groups were also ambushing convoys and planting anti-personnel and anti-tank mines, he said.

Haq said there are three Soviet and three Afghan army divisions in Kabul along with other assorted units. The capital's garrison consists of some 50,000 soldiers, but large numbers are sent out of the city from time to time for offensives in the rest of Afghanistan, he said.

Some 2,000 to 3,000 guerrillas are active around the city in the current fighting at any one time, Haq said. Some 10,000 guerrillas are involved in the fighting overall.

Haq earlier claimed credit for the destruction of the Afghan army 8th division's ammunition depot in Kabul with rockets during the last week of August. The blasts rocked the city for hours and some Western sources have reported that up to 3,000 people were hurt in the explosions.

The government broadcasts were unusual in that they admitted there was heavy fighting close to the capital. The government has claimed repeatedly in the past that Paghman was under its control.

The Communist government of Afghanistan claimed in radio broadcasts yesterday that its forces had defeated the guerrillas in the Paghman district fighting and inflicted heavy losses after several days of fierce fighting.

"The bandits have been totally swept from the area and the citizens have begun a new life," Radio Kabul said in a broadcast monitored in Islamabad.

"It's the heaviest guerrilla offensive against the capital in three or four years. The fighting is very bad," said Professor Sayed Majrooh, head of the Afghan Information Centre, which monitors events inside Afghanistan. Western diplomatic sources reported on Tuesday that there had been heavy fighting in Paghman since September 4. Waves of jet fighters had been seen bombing the hills as armoured columns moved into the region under the cover of helicopter gunships.

Artillery and rocket forces had laid down enormous barrages and Paghman city had suffered considerable damage, they said.

The guerrillas are fighting to oust the Communist government, which is supported by an estimated 115,000 Soviet troops.

Schmidt lambasts U.S. policy

BONN (Reuters). — Former West German Chancellor Helmut Schmidt took his leave of parliamentary politics yesterday with an attack on President Reagan's Strategic Defence Initiative (SDI) and the mammoth U.S. budget deficit.

In a farewell speech to the chamber, the 67-year-old Social Democrat said Reagan's SDI programme for an anti-missile defence in space would unleash a spiralling arms race with the Soviet Union at the cost of security in Europe.

He also said that the U.S. was seeking to hide its failure to curb what he dubbed a "home-made" budget deficit behind demands on West Germany and Japan to stimulate the world economy.

Schmidt, toppled in 1982 after eight years as chancellor, has announced that he will retire after next January's general election after 33 years in parliament.

He accused his Christian Democratic successor Helmut Kohl of letting West German influence in Washington sink to its lowest for 20 years because he was scared to stand up for national interests.

"He who gives the impression of having no objection to the status of a protected dependent should not be surprised if he is treated that way," Schmidt said.

The two-hour speech was punctuated by the soft cutting of ties aimed at his political opponents that typified the magisterial style of Schmidt's leadership.

It was his first in the chamber since December and ranged over national and world affairs in which he played a pivotal role as economics, finance and defence minister and finally chancellor.

Kohl paid tribute to his predecessor in a speech lauding him as "one of the great parliamentarians and political figures in West German history."

But he hit back at Schmidt's criticism of relations with the U.S., saying West Germany had urged Reagan to honour existing arms control treaties with Moscow and had contributed proposals of its own for new accords.

FOREIGN NEWS IN BRIEF

RFK's daughter wins congressional primary

TOWSON, Maryland (AP). — Kathleen Kennedy Townsend, the first woman in the famous clan to run for political office, easily won Tuesday's Democratic Party Primary in Maryland's second district.

Townsend, a lawyer and the eldest daughter of Robert F. Kennedy, will now run in the November elections to the House of Representatives.

Many observers believe she will have a stiff fight to unseat her Republican opponent, Helen Delich Bentley.

Nato chief says allies prepared to hit Libya

SANDEFJORD, Norway (AP). — General Bernard Rogers, supreme commander of Allied forces in Europe, yesterday expressed readiness to hit Libya "if it makes sense to do so."

He said that in the face of mounting terrorism, Nato has been "improving the security of our installations."

Meanwhile, the Libyan government, in a dispatch received in Paris, said it was ready to contribute to "any international effort to combat terrorism."

Ortega fears U.S. war

NEW DELHI, India (AP). — Nicaraguan President Daniel Ortega claimed yesterday that the U.S. could directly intervene in his country "at any moment" because the U.S. doesn't follow any rationale.

Venice best film award

VENICE (Reuters). — French director Eric Rohmer's film, *Le Rayon Vert*, yesterday won the Golden Lion award for best film at the Venice Film Festival.

Organizers said the 14-man jury was unanimous in its decision to give the festival's top award to the 66-year-old Frenchman's film, *A Gentle Love Story*.

'Waldheim affair over' — U.S. envoy to Austria

VIENNA. — "The so-called storm between Vienna and Washington (over President Waldheim) has basically passed by now," said U.S. envoy Ronald S. Lauder in an interview yesterday with the conservative daily *Die Presse*.

Lauder, who was heavily criticized in parts of the Austrian press because he didn't attend Waldheim's inauguration, said, "One can have substantial differences of opinion and still remain friends. But by now, we have brought this part behind us, and we are moving in a more positive direction."

Water buffalo escapes

PEKING (Reuters). — A water buffalo that escaped from a Canton slaughterhouse injured 12 people in a rampage before it was machine-gunned to death by police. The story appeared in a local newspaper that reached Peking yesterday.

Aids victims hospice

LONDON (AP). — A London borough has agreed to turn a disused school into a hospice for incurable victims of Acquired Immune Deficiency Syndrome, a sufferer announced here yesterday.

The councillors of Kensington and Chelsea took their decision despite local opposition to the scheme, with campaigners against it saying that the hospice would be a health hazard to a neighbouring primary school.

Chinese diplomat defects

ANKARA (Reuters). — A senior Chinese diplomat has defected to Turkey and been granted political asylum, foreign ministry officials said yesterday.

They named the diplomat as Mohammed Niyazi, trade counsellor at the Chinese Embassy in Ankara since April 1984. He was ranked third on the embassy's diplomatic list.



South Korean dissident Buddhist monks stage a sit-in demonstration in front of the Gae Un temple in Seoul yesterday, calling for the release of 12 Buddhist leaders who led an anti-government protest earlier this year. (Reuters telephoto)

Beirut Lion's Club man abducted

BEIRUT (AP). — The top official of the International Lions Club for Lebanon and Jordan was kidnapped yesterday, a day after an American educator was abducted in the city's Moslem sector while on his way to play golf.

Police said three gunmen armed with silencer-equipped pistols intercepted Victor Kenou near the French Embassy compound in Rue Clemenceau.

The gunmen forced Kenou, a Christian Lebanese of Syrian origin, into their blue BMW and sped away, a police spokesman said. He did not

know whether Kenou was on foot or driving his car.

Kenou heads the 39 International Lions Clubs in Lebanon and Jordan, said the spokesman, who declined to be named.

The spokesman said police were unable to dig up any clues to the whereabouts of Frank Herbert Reed, 35, director of the Lebanese International School in West Beirut, who was abducted Tuesday.

The U.S., in response to Reed's capture, yesterday renewed its call for the release of all foreign captives in Lebanon.

Islamic Jihad, which espouses the

fundamentalist Shi'ite Moslem teachings of Iran's Ayatollah Ruhollah Khomeini, claimed responsibility for Reed's abduction, charging he was a spy for the U.S. Central Intelligence Agency.

Kenou, 50, is a naturalized Lebanese born in Syria and runs a prosperous import-export business in both the Moslem and Christian sectors of the Lebanese capital, according to police and family friends.

His wife, Rose, who lives in West Beirut, said "contacts are under way at the highest levels to win my husband's release. I am hopeful."

French may free jailed terrorist

PARIS (Reuters). — France may give in to a key demand made by a Middle East terrorist group responsible for a recent spate of domestic violence, according to recent reports in the French press.

The left-wing newspaper *Liberation* reported yesterday that Interior Minister Charles Pasqua has been pressing the government for the release of Georges Ibrahim Abdallah, suspected leader of a terrorist group called the Lebanese Armed Revolutionary Front.

The press speculation followed Monday's bombing at Paris City Hall, in which one person was killed, claimed by the Committee of Solidarity with Arab and Middle Eastern Prisoners.

The group, which also claimed responsibility for five attacks earlier this year, threatened more terrorist actions yesterday if Abdallah and two other terrorists are not released.

The report of possible government concessions came only a day after Prime Minister Jacques Chirac and West German Chancellor Helmut Kohl called for an urgent meeting of the European Community regarding the terrorist threat.

Both pledged an all-out struggle against terrorist violence.

The possibility of a concession on Abdallah follows a series of contradictory statements by Pasqua.

In a television interview yesterday, Pasqua said there was no question of freeing Abdallah but added: "if one day a decision must be taken it will not be the subject of public discussion."

Abdallah was sentenced in July to four years imprisonment for arms possession. He is also charged with complicity in the murders of an Israeli and U.S. diplomat in 1982, but no date has been fixed for the murder trial.

A decision to drop the murder case would make Abdallah, who was first arrested in 1984, eligible for almost immediate release under normal rules for remission of sentence.

MIDDLE EAST BRIEFS

Vaccination campaign

DAMASCUS (Reuters). — Syria will launch the Arab world's first nationwide vaccination campaign this week to protect over one million children against six immunizable diseases, Syrian Health Ministry officials said.

UN Children's Fund (Unicef) statistics show that some 5,000 Syrian children aged under five die each year of polio, measles, whooping cough, tuberculosis, diphtheria or tetanus — accounting for about 13 per cent of deaths in the age-group.

An eye for an eye

NICOSIA (AP). — Iranian authorities will allow victims of a bomb explosion to practice the Islamic punishment of "an eye for an eye" against the terrorists before they are executed at the site of the bombing.

The daily *Jomhuri Eslami* quoted Information Minister Mohammad Mohammadi Rey-Shabari as saying on Tuesday that the victims who lost limbs or eyes can claim the same parts of the body from the convicted terrorists.

Gaddafi in Sudan

KHARTOUM (AP). — Libyan leader Muammar Gaddafi, who arrived in Khartoum on Tuesday for a three-day visit, has agreed to try and mediate an end to the conflict in the south of the country, a top Sudanese official Mohamed Al Hassan, said here yesterday.

Iraq blasts UN

UNITED NATIONS (Reuters). — Iraq yesterday accused the UN of failing in its duty to end the "aggressive war" being waged by Iran and warned it would have to punish Iran itself if it persisted in attacking civilian targets. Meanwhile, Iranian anti-aircraft fire shot down an Iraqi jet yesterday.

Afro-Asians — UK's unwelcome guests

LONDON. — If you can't get a hotel room in the vicinity of London's Heathrow Airport these days, it may be because the hotels are full of unwelcome guests of the British government.

These are not VIPs but simply hundreds of men, women and children from what the British like to call the "New Commonwealth" who have been unable to prove they are genuine visitors.

Any foreigner travelling through Heathrow will know to their horror about the queuing and the questioning at the immigration control desks. When the big jets from the Americas, India and Asia disgorged their passengers each morning, the weary travellers, documents in hand, sometimes have to wait hours to be vetted.

Now the British government is to demand that all arrivals from four Commonwealth countries — India, Bangladesh, Ghana and Nigeria, and from Pakistan, which used to belong to the Commonwealth — must have visas issued at home before they can be allowed in.

The government is trying to sell

this move as a humanitarian action. It argues that most travellers will benefit because the airport waiting time will be reduced. But what has really forced its hand has been the threat by the immigration officers' union, the Society of Civil and Public Servants, to take industrial action in protest against the appalling conditions at the airport and the extra workload.

The worst element of the regulations is that they will openly discriminate on grounds of race. Australians, New Zealanders and Canadians (who are also members of the Commonwealth) will still not need visas if they are coming to Britain on holiday. Nor will Americans.

Here the government's excuse is that it is playing "the numbers game." The flood of people coming from the Indian sub-continent and West Africa create the airport shambles, it argues, without producing statistics to prove that they contribute a bigger problem en masse than visitors from white-dominated countries.

The move is part of a long-standing determination by succes-

sive governments — Conservative and Socialist — to stop people getting into Britain on the pretence of being a holidaymaker or visiting relatives and then staying here illegally and taking up work.

Each year about 3 per cent of the 700,000 arrivals from the countries singled out for visa requirements are refused entry. First there is a checking process which can take many weeks and while this is happening the would-be visitors are accommodated at the expense of the British taxpayer.

Around the airport are a series of barrack-like detention centres, patrolled by private security firms, where it is difficult to get in or out. But at the moment they have no vacancies and about 250 people have been put up at nearby hotels.

Mary Sasikala and her brother, both Tamils from Sri Lanka, arrived at the airport a month ago. They were on their way to Canada from Delhi with a planned stop off in Britain, but the airline refused to take them on. British immigration officers would not give them leave to enter England and

they are now in a legal no-man's-land with nothing to do but watch television and read all day.

In the future the Sasikalas and all travellers from the five countries will have to get visas from British consular offices in their home towns. This will cost about \$21 million to base immigration officers overseas, but the government is willing to pay this in order to remove the airport "mess" from its own backyard.

The British Foreign Office, which had opposed the move, fears this will only add to the tensions within the Commonwealth between Britain and the non-white nations which became so apparent after the recent row on sanctions against South Africa.

Leaders of the black Commonwealth nations will be quick to point out that Britain still has no visa requirements for people coming from South Africa. They are unlikely to accept the government's argument that it did not see any need to consult the other countries involved before announcing the changes which will come into effect in a few weeks. (London Observer Service)

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HOME AND FOREIGN NEWS



Spanish Foreign Minister Francisco Fernandez Ordóñez visits (from left to right) Muslim holy sites on Temple Mount, the Yochanan Ben Zakai Sephardi synagogue in the Old City's Jewish Quarter, and the Western Wall. (Isaac Harari, Rahamim Israeli)

Synthetic skin for household burns

By LEA LEVAVI
Jerusalem Post Reporter
TEL AVIV. — A synthetic temporary skin substitute, Omiderm, will soon be marketed in drugstores for home use in treating household burns, skin abrasions and other skin injuries.

Omiderm was invented by Prof. Menahem Ben-Hur, chief of plastic surgery at Jerusalem's Shaare Zedek Hospital together with nuclear scientists at Nahal Sorek. For the past two years it has been clinically tested in hospitals here and abroad where it has been used to cover "donor sites" from which a patient's skin has been taken for grafting elsewhere on the body until the site heals. It has also been used to cover burns and other wounds pending surgery, and in the treatment of skin ulcers.

A baby born recently with skin missing was spared an operation by the use of Omiderm. Skinless areas of the child's body were temporarily covered with Omiderm and by the time it became possible to operate,

the doctors were surprised to find the baby's own skin was growing.

At a press conference here yesterday, representatives of Omikrom Scientific — the company which manufactures and markets Omiderm — showed how it works. The cellophane-like material is placed over the cleaned wound where it stays in place because of the wound's moisture. As the area dries, and healing starts, Omiderm comes off automatically. But even if for any reason it has to be removed, there is no pain or damage in its removal, company officials said.

Omiderm will be available without a prescription at a cost of about NIS 9 per package of two sheets. But once the package is open, it is no longer sterile.

Company officials are to meet IDF representatives next week, to try to interest them in the product. It is already being marketed in South America, Italy, Australia and several other countries, and has the approval of the U.S. Food and Drug Administration.

LETTER FROM BONN

Shock encounters with Israel

By WLADIMIR STRUMINSKI
Jerusalem Post Correspondent
BONN. — Eight in the morning is early for a press conference here and a spokeswoman conceded that in the invitation to meet Rita Suessmuth, minister of health, youth and family, who had just returned from a visit to Israel.

But the meeting with Suessmuth was not routine, either. She skipped the clichés in which many German politicians take refuge when they refer to their country's Nazi past, and instead spoke out openly.

Thus, as the minister responsible for German-Israeli youth exchanges, Suessmuth praised the project, but admitted there were problems.

Her chief complaint: German youth aren't adequately prepared to deal with the Holocaust, which is always an important subject in the exchange. Some, she said, broke down after visiting Yad Vashem. Others return to Germany resentful and angry at their grandparents.

But although Suessmuth advocated a more thorough study of the Holocaust before and after visits to Israel, she said the real problem was how the German society dealt with this issue. There had to be a deeper confrontation of the issues in all German youth education, in and out of school, she said.

That was evident by the surprise German youths felt at discovering how much awareness of the Holocaust still shaped Israel's life, she said, adding that she herself had only recently come to realize how deeply the events of the Nazi era were embedded in Israeli experience. She

By Wladimir Struminski

cited Israeli reaction to last weekend's attack on the synagogue in Istanbul as an example: "The Holocaust is not the past. It is always present."

Suessmuth said she believed some Israelis feared a never-ending Holocaust and saw anti-Semitism anywhere, including Germany, as fresh cause for alarm.

It was not only youth who must be made aware of the special nature of Germany's history, she said.

"We have to show awareness of Israel's special problems in our political actions," she said. "Sometimes we don't realize the consequences our decisions will have in Israel," she added, citing President Reagan's 1985 visit to the Bitburg military cemetery.

Suessmuth said that it would have been better to select another site rather than trying to justify Bitburg. But she conceded that it might have been difficult to find a military cemetery where only anti-Nazis had been buried.

Although Suessmuth was not a member of the government during the controversy, she said she had not supported the decision to ask Reagan to visit the cemetery.

Was that a new opinion? "I became more sensitive because of the trip," she replied, without elaborating. But Suessmuth also cautions against an undue German sensitivity — she seemed to mean "fear" — that could kill spontaneity. The occasional mistake was preferable to over-guarded, "calculated" behaviour, she said.

Matzad — the NRP's new power-brokers

By ROY ISACOWITZ
While the National Religious Party delegates were casting their votes last week for a successor to Religious Affairs Minister Yosef Burg, the two contenders — MK Zevulun Hammer and Rabbi Moshe Salomon — were asked to appear before a gathering of Matzad, the party's Greater Israel advocates.

Two years earlier, the Matzad faithful left the party to establish their own, purified stream of nationalism and Orthodoxy. They returned home earlier this year, lured by the internal party rejuvenation that promised them the ideological direction they were seeking, along with the NRP's substantial assets.

Matzad is not the dominant faction in the new-look NRP but it is certainly the most homogeneous and the most militant. As such, it appears likely to exert an influence on NRP policy well beyond its numerical strength.

The best indication of the balance of power in the NRP was provided by the first round of voting for Burg's successor. Hammer, the representative of the perennial Young Guard, pulled in 35 per cent of the vote; Salomon, of Burg's declining Lamifne faction, achieved 26 per cent; MK Avner Shiki, running as an independent, gained a surprisingly high 23 per cent while Moshe Mosecovitz of Matzad managed 15 per cent.

Shiki ran an unabashedly ethnic campaign and appealed to a large group of Sephardi party members who do not identify closely with either Lamifne, the Young Guard or Matzad. Shiki's group of amorphous supporters does not have the organization or the dedication to be a serious factor when the gloves come off.

The various rounds of voting during the first and second sessions of the NRP convention showed that Matzad holds the balance of power between the Young Guard, Lamifne and the new members.

The influence of the bearded, bright-eyed Land of Israel faithful was unmistakable when Salomon and Hammer dutifully answered the summons to appear before them.

Salomon, whose son has not served in the army, was driven to heated and inept denials that he was both insufficiently Zionist and "leftist." But nothing he said could dispel the impression that he represented established religious interests and was insufficiently dedicated to settlement in the territories.

If Salomon's performance was inept, Hammer's was astonishingly repentant. The doubts he had expressed over the past few years about the wisdom of the Gush Emunim way were entirely absent. He acknowledged making "mistakes" in the past and glossed over the divisions between himself and Gush Emunim over the withdrawal from Sinai.

Hammer owes his election to the overwhelming support of Matzad and the support of approximately half of the delegates who voted for Shiki in the first round. The latter came over after Hammer and Shiki struck a secret deal.

Hammer committed himself, in his speech to the Matzad members, to a hard-line Land of Israel stance in the cabinet — and Matzad will make sure that he keeps to it.

When Yitzhak Shamir convenes his cabinet after rotation, the NRP will be represented by two territorial maximalists, Hammer and Minister without Portfolio Yosef Shapira. That prospect is a matter of great concern to the Labour Party.

The national unity government established after the hung elections in 1984 was based on the principle of parity. Labour and the Likud were allocated 10 seats each, with a further four seats going to smaller parties in the "political orbit" of each. Thus, Shas and Matzad became part of the Likud equation and Shinui and Yigal-Hurwitz joined on Labour's side.

The 25th seat went to the NRP's Burg, who had played a crafty waiting game during the coalition negotiations and whose politics were sufficiently pragmatic (or vague) to make him acceptable to both major parties. The NRP, in theory at least, was unaligned.

Labour suffered in the deal. Not only did Burg tend to side with the Likud on ideological issues, but Hurwitz did the same. What was a tendency with Burg will be a matter of policy and ideology with Hammer.

Peace at last for Tereza Anghelovici

The remains of Tereza Anghelovici will not be removed from the Rishon LeZion cemetery, the High Court of Justice ruled yesterday in Jerusalem, rejecting a petition by the Rishon LeZion burial society that she was reinterred elsewhere, since she was not Jewish.

Shortly after Anghelovici was buried in late 1982, the burial society sought to remove the body after it had learned that she was not Jewish. Anghelovici came to this country from Romania after World War II with her Jewish husband, but apparently never converted.

In March 1984, two burial society workers, David Ehrenfeld and Meir Agassi, secretly dug up her body and dumped it in Ramle's Moslem cemetery. For this, they were sentenced to three months in prison, which was increased to a year on appeal by the state.

After Anghelovici's reburial in the Rishon LeZion cemetery by order of the High Court of Justice, the burial society asked the court to order the Health Ministry to remove her remains. But the ministry, in its reply to the petition, said it would not do this unless the family requested it.

Yesterday, the High Court ruled that the ministry was within its legal right in turning down the burial society's request for reinterment. Supreme Court President Meir Shamgar called on both sides to accept the ruling with tolerance and let the matter rest.

Anghelovici's daughter Adina Harpaz, who insists that her mother was Jewish, said yesterday: "I am happy that we have a state ruled by law, and not halacha (religious law), and that it respects the dead. I hope that we have finished with this ugly and irrational struggle." (Him)

Manufacturers' Association opens national convention Toasting 100 years of Israeli industry

By MICHAEL YUDELMAN
Jerusalem Post Reporter
TEL AVIV. — The surroundings were more impressive than this year's GNP and export figures at the opening of the Manufacturers Association's National Convention on Tuesday night, at the Hilton Hotel ballroom.

Hundreds of Israel's leading industrialists gathered around the festive dinner tables to celebrate 100 years of Israeli industry and the awarding of this year's industry prizes. President Herzog, Prime Minister Peres, ministers Gad Ya'acobi and Ariel Sharon, Histadrut Secretary-General Yisrael Kessar, Mayor Shlomo Lahat, MK Avraham Shapira and other public figures came to hobnob with the country's economic elite.

No great message was sent to the nation from this forum, where the speeches, like the menu, were conservative and inoffensive, with terms such as "economic growth," "aid to industry" and "capital reform" repeated ad nauseum.

Dinner began with smoked salmon and white wine, followed by a strawberry sorbet to clear the palate.

The manufacturers, many of whose employees take home something close to the minimum pay — some NIS 300 to 400 — continued with a choice piece of fillet steak, vegetable bouquet and red wine.

Arik Sharon had to leave early, but left his wife Lily to report to him later on the evening.

Manufacturers Association President Dov Lautman spoke about the urgent need for growth and capital reform, if the economy was to recover. He modified his previous sharper attacks on the government — "there is no growth policy" and "the economic programme has failed in leading

to growth" — perhaps in deference to the prime minister.

The industry award winners of the year — five veteran industrialists — were called to the stage after a movie of their plants and products was screened.

Bromide Group's managing director Arye Ginsburg, America-Israel Blades' Yitzhak Weiman, Pekar Steel chairman Yosef Pekar, Petrochemicals' managing director Oded Tavori and Motorola chairman Elisha Shachmoun were those honoured.

Peres, who took time off from the Tabat negotiations to salute the industrialists, spoke of government moves to help industry.

"We promised to help industry and we will," he declared. "This morning I settled a reduction in port fees for imports intended for export, and we decided on a \$30 million aid package for industry. If we don't get back to growth, there will be no employment for the younger generation. We cannot turn forever to the U.S. We have to work more at home."

Peres also referred to the crisis in the electronics and high tech industries: the need to solve the problem of the weakening dollar in order to help exporters; and the danger in having more than one exchange rate for the dollar.

Referring to his peace initiatives, Peres said, "We shall continue searching for peace, we shall not hesitate, or fear anything, not even letters of apology (referring to this week's latest Sharon crisis)."

After the dinner, some leading industrialists found that their cars wheels had been clamped into the Denver Boot. Where the boot is concerned, at least, all are equal.

Yesterday morning, the conven-

tion opened with coffee, croissants and cakes in the ballroom's foyer. Immediately afterwards, the participants entered the ballroom to listen to Vice Premier Shamir, who said that production and export must increase to strengthen Israel's defence.

Referring to Egypt and the peace process, Shamir warned against deviating from the principle of direct negotiations, and of the need to maintain the Camp David Accords as the only framework for relations with our neighbours. Shamir said there should be no negotiations with the PLO and no Palestinian state.

Shamir promised that he would continue to help the manufacturers when he moved to the Prime Minister's Office in October.

Economics Minister Gad Ya'acobi warned of complacency and urged continued economic cooperation between the government, the Histadrut and employers. He said that the economy had been "frozen" since the Yom Kippur War and had plunged into galloping inflation. The Lebanon War cost some \$5.5 billion, he said.

Ya'acobi said that increased private and public consumption were threatening economic stability.

Finance Minister Moshe Nissim had grim words on next year's budget: the U.S. special aid would end, some taxes would not be renewed and the public would begin cashing bank shares. Finally, Nissim promised that the budgetary cut would be carried out in full. No ministry would be exempt, he said.

Sharon spoke yesterday at lunch and surprised his listeners with a reference to the crisis he caused earlier this week. "Sometimes one must apologize for something that

really deserves an apology," he said to the guffaws of the audience, who remembered Sharon's apology letter to Peres. But Sharon was referring to a delay in implementing the reduction of port fees and the \$30 million in aid for the electronics industry.

"Every time a decision is made there are delays. Some committee is appointed to examine the matter, then another committee must re-examine it. A proper administration must know how to carry out decisions, even difficult ones, instead of delaying them for weeks and months," he said.

Sharon scoffed at those who have intimated that he supported industrial circles for political reasons. "Is there one single person here whom I have talked to about political matters?" he asked.

He then promised that he would consider the 5 per cent reduction in national insurance given to employers as a permanent concession. Sharon expressed sympathy with the industrialists for the high interest rates they have to pay. "I don't know how you people can work — the interest rates are fatal. They have severely damaged industry and agriculture. And who gained? All those who didn't invest in industry and agriculture, but instead lent money for the interest rate. The state lost money, industry and agriculture lost money."

Sharon proposed supporting exports to the U.S. — which today represent 34 per cent of Israel's overall exports — and increasing production.

Above all, Sharon said, foreign investments must be encouraged. Out of \$1.2 billion invested in industry, only \$47 million had come from foreign investments, he said.

HOME NEWS IN BRIEF

Rabbi blasts meetings of Arab, Jewish youth

ACRE (Itim). — The chief rabbi of Acre, Rabbi Yosef Yashar, yesterday called on the public to "rebel" against the directives of Education Minister Navon and refuse to send their children to meetings with Arab schoolchildren.

The rabbi said that such encounters were morally corrupting for the Jewish youth.

Mayor Eli De Castro took issue with the rabbi's statement, saying that these meetings were necessary to build tolerance and understanding. The kadi of Acre, Mohammed Hubeishi, said that Moslems favour these meetings because Arabs and Jews should get to know each other better.

Scientists to discuss cities on the sea

HAIFA. — Over 50 scientists from all over the world are to join a similar number of their Israeli colleagues in the first International Symposium on Harbours, Port-cities and Coastal Topography, at Haifa University from September 22 to 29.

Entitled "Cities on the Sea — Past and Present," the meeting will bring together architects, landscapers, geographers, port engineers, geologists, oceanographers, historians and archeologists.

Call for improvements in development towns

KIRYAT MALACHI (Itim). — A special committee set up by Prime Minister Peres has called on the government to anchor in law all the privileges granted to development towns.

At a meeting here yesterday, the committee said that this would make the towns independent of ministries.

Referring to the decline in population in Negev and Galilee towns, committee chairman Amir Peretz, who is Sderot's council head, recommended that over the next five years all new government subsidized enterprises be set up in development towns.

The committee also recommended far-reaching tax cuts, especially for top-notch workers, and free land for persons willing to build villas in the development areas.

Hebrew U. to market edible Hermon snail

Israel may supply edible snails for the specialty market in Europe and the U.S., said a zoologist at the Hebrew University of Jerusalem, who has completed laboratory studies for growing the large Hermon snail. Semi-commercial trials are to start soon to fully domesticate the snail for export.

Snails are highly appreciated in France, Germany and the U.S., where many restaurants serve them as a delicacy. Almost a billion snails are consumed in France every year.

Uncontrolled collection of field snails robbed Western Europe of this source by the mid 1950s, and their population is now being exhausted in the Balkans, which have become the main supplier of snails.

A snail has been found near Mount Hermon, on the Golan Heights, which is similar to the preferred European snail in its large size, pale colour and good taste.

Fatah men jailed

LOD (Itim). — A military tribunal yesterday jailed for 16 and 11 years two members of a terrorist gang. Two other suspects who denied involvement in the group will be tried separately.

Twenty-eight-year-old Naji Yusuf Salah e-Din received 16 years and Wasif Ali Masud el-Haub, 35, an 11-year term. Both men, from the village of Himeh near Ramallah, joined the Fatah in 1984.

Both admitted placing a bomb at a bus-stop in Jerusalem's French Hill quarter last February and another, a short while later, at a soldiers' hitchhiking station at Ben-Gurion Airport. No one was injured in either case.

Navi boycotting Ben-Gurion centenary

BEERSHEBA. — Former mayor Eliahu Navi said yesterday that he will refuse to take part in celebrations marking the 100th anniversary of David Ben-Gurion's birth next month because nothing remains of his vision of greening the Negev and populating it with a million Jews.

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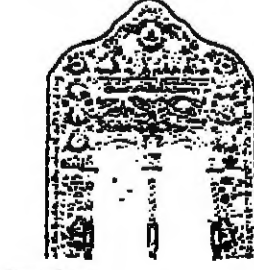
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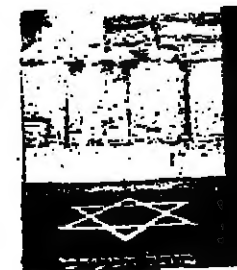
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Columbus coincidence: discovery, Inquisition

1492 marked voyage, Spain's expulsion of Jews

Netanel Lorch

ON BOTH sides of the Atlantic, in Europe and in the Americas, preparations are under way for the commemoration of one of the most important discoveries in history: the 500th anniversary of the discovery of America. National committees have been established in Spain, and in each of the 30 republics of the New World. International meetings have been held and there are more to come.

Genoa — the birthplace of Columbus, is competing with Cadiz, his port of departure, for the honour of parenthood. In Spain several provincial authorities as well as Madrid, the capital, vie for the honour of serving as the venue for the central celebrations.

Israel evidently was not a party to the act of discovery — neither discoverer nor discovered. On the face of it, Israel might well decide to stay out of the commemoration. However, as the Jewish state it cannot remain indifferent — it should play an active role in the preparations because for the Jews the discovery of America has been an event of momentous proportions. What might have happened is not the subject of any established academic discipline and yet it might be interesting to speculate. What would have been the fate of the Jews had it not been

for this safe haven. There are more Jews today in the New World than there are in the old.

Indeed, would Israel have come into being and would it have been able to survive and to defend itself without the moral, political, material and last but not least — military assistance of the Americas?

To take speculation one step further: if America had been discovered some centuries earlier — when Spain was under Moslem rule — what would have been the shape of the New World, and the old? The destiny of the Jewish state? Let us remember that everything known at the time of the Catholic kings — in the realm of shipbuilding and navigation — had been known to Moslem Spain several centuries earlier.

Moreover, there was no doubt a direct Jewish contribution to the discovery and the subsequent conquest. Whether Columbus himself was of Jewish ancestry will probably remain shrouded in mystery, as will many other details concerning his origins and childhood. Salvador Madariaga has made strong case for Columbus' Jewishness, but as a Spanish republican intent on gaining the goodwill of Jewish communities his approach may not have been entirely disinterested. The mysterious codicil on Columbus' letters to



The voyage of Columbus marked an age of discovery and an age of expulsion.

his son — undoubtedly written from right to left — still requires an explanation. The apocryphal story concerning the three ships approaching each other for Kol Midrei should not be taken at face value; yet there is a probability that some of Columbus' crew were New Christians, converted Jews. And there were other New Christians amongst those who came later in Columbus' footsteps. Even if not all those who were condemned by the Inquisition, more than a century later, for being Judaizers, practising Jews, were indeed "guilty," there is no reason to doubt that at least some of them were.

NEW CHRISTIANS had a particularly strong incentive for leaving Spain and seeking their fortune in the New World, much stronger than that of most of their Spanish compatriots. The voyage was hazardous, shipwrecks were frequent and disease abundant. The future in the New World was uncertain, at best. Only a minor group of Spaniards had sufficient incentives to abandon a relatively comfortable existence in the Madre Patria, to exchange the known for the unknown.

The Jews and the New Christians had such an incentive. Because the year of the discovery of America was

also that of the expulsion of the Jews from Spain. By a quirk of destiny, of bitter irony, these two events almost coincided in time — and both must be remembered and commemorated by the Jewish people.

It is not our task to spoil the festivities — yet we cannot but approach the date of 1492 with a split personality, with an ambivalence: one eye laughing, the other with tears. The expulsion of the Jews from Spain, in retrospect, compared with the Holocaust, may seem almost humane — the Jews of Spain were permitted to leave, or to convert to Christianity. The Jews, and the descendants of Jews, in occupied



Christopher Columbus

Europe, had no such choice. However, it was a major upheaval, not only in Jewish life, but throughout Europe. The fact that powerful rulers could, with a stroke of the pen, put an end to a millennium of Jewish existence in Spain, eliminate within a few months scores of flourishing Jewish communities, did not pass unnoticed elsewhere on the continent.

The "coincidence" of expulsion and discovery is mentioned in one of the first speeches made in anticipation of the commemoration in the Venezuelan Congress. Jorge Olavarría defines the unification of Spain under their Catholic majesties, Isabella and Ferdinand — as the *conditio sine qua non* for Columbus' voyages, and he goes on: "Unity of Spain, not merely because of the inherent dynastic unity, but as the result of a deliberate effort to found the first modern national state, which laid the foundations for a definitive unity without affecting regional autonomies; reconquest of

Granada as a conscious effort, fruit of the consciousness of a historical duty and a pressing necessity of national security; expulsion of the Jews, not as a manifestation of hatred or fanaticism, but as a step of inevitable choice of a lesser evil in order to avoid the greater ones, and cut the root of the senseless violence which besmirched the history of Christianity; institution of the Inquisition, not as the instrument of blind fanaticism as it had been described, but as the most just and civilized (sic) means known, in order to annul the hurtful and corrosive sensation of insecurity provoked by dual loyalty; peace where there was disorder, prosperity where there was depression, power where there was weakness..."

This speech was delivered not in 1492, but in 1985 in a democratic country in which there is a flourishing Jewish community. It is only one of the first speeches — many more will be heard in the course of the coming seven years. Thus it is incumbent on us in Israel, together with Jewish organization, and with our many non-Jewish friends throughout Spain and America to begin to think and to organize as of now — in spite of the pressure of more urgent, pressing issues. We have every reason to join in the celebrations — yet we have no reason to ignore the dark side of 1492. To find the proper balance between the two is a challenge for thinkers and politicians alike.

The writer is president of the Central Institute for Cultural Relations with Ibero-America, Spain and Portugal, which has undertaken to initiate the commemoration of 1492 in Israel.



Yisrael Kessar



Ora Namir

My own perch

How everyone else deals with the heat

Helga Dudman

"DOCTOR, I have this awful problem."

"Problem?"

"Yes, and I thought you might explain..."

"There, there. Now, what seems to be the trouble?"

"Well, you see...it's...I don't quite know how to say it...Well, it's that I don't mind the heat."

"You what?"

"I don't mind the heat. I know it sounds disgusting, but..."

"Humm. I suppose you never go out at noon, never leave the air-conditioning."

"No, that's the awful part. I'm out in the middle of the day, walking hither and thither, under a full pack."

Watermelon, sometimes. And I'll meet somebody getting out of an air-conditioned car (in running shoes, for ease of getting out of the car) and this person will say to me, 'Ooof, this heat. What is one to say? And I loathe air-conditioning. Absolutely loathe. Now what I want to know, doctor, is, what's the matter with me? Funny blood pressure? Underweight? Overweight? Abnormal skin structure? Freaky metabolism? Excessive eccentricity? Or just perversity?"

I like to imagine that some such conversation has gone on somewhere this summer in our temperate zone. Anyone who has taken

part in one, in either role, is invited to telephone me collect. I am sick and tired of not being troubled by the heat, and having to fend off those gruesome conversation-openers that go: 'But how do you stand it were you live?' and 'Ooof, this heat.'

A small inquiry into the question, 'Do the ultra-Orthodox, in their layers of black, carry on as idiosyncratically as the short-sleeved secularists?' has yielded some expected answers.

Unfortunately, my bridges to the ultra-Orthodox are nil, so I have had to make do with Formerly Religious or Modern Orthodox.

Those questioned gave the following answers:

A) Sure, they complain just like everybody else.

B) Nope, they don't complain at all. Of course they perspire, but they are much too busy with all that needs to be done and thought in the ultra-

Orthodox way of life (which goes from *mitzvot* to finance) to have time for such pointless observations.

C) Besides, hot weather is part of the Divine Plan for summer, and it would be wrong to complain: everything has a reason, and we must accept it.

I have also wasted considerable time, although not as much as my heat-crazed peers, wondering whether our famous sages met each other on the way to the synagogue, back in the days when Jewish scholarship was more creative than it is today, with similar idiotic chat. Has any work been done on this?

Of course they weren't given maximum and minimum temperatures every day by the leftist media.

Which, by the way, commit a grave sin when they say in the morning: 'It's going to be hot.' If I am not mistaken, Dr. Dov Ashbel, the

father of Israeli meteorology, used to say that weather forecasters must never use the terms "hot" or "cold"; subjective terms are inadmissible, just stick to the centigrade.

Come to think of it, what ever happened to that giant stride into techno-inanity when, a few years back, we were given the "heat load" factor every morning at breakfast? I raged at it at the time, but that can't be why they stopped their ludicrous calculations.

Well, none of this solves the problem of the hypothetical visitor to the doctor in quest of a physiological explanation for this mortifying abnormality. Why? Why? Why?

Summer is different from winter. This isn't Switzerland. Beyond that, one is forced to conclude that it's all in the mind — or rather, that nothing else is.

Looking for policy

Seeking a mix between social, economic camps

Lea Levavi/Jerusalem Post Reporter

TEL AVIV — Over 100,000 Israelis earn the minimum wage of NIS 334 a month, and some workers earn even less than that, MK Ora Namir, chairwoman of the Knesset Labour and Social Affairs Committee, said during a discussion of social policy and the welfare state organized this week by the Histadrut.

"I think we as a labour movement have been putting too little emphasis on work itself and too much on social services," she said. "The number of groups with problems that come before my committee seems to be increasing, and the problems seem to be getting deeper. For two years, I've been looking for the government's social policy and, I have to confess, I haven't found it."

She said young people in development towns can't be blamed for refusing to work for "shameful wages" in the food and textile industries. "If there is no future for youngsters in development towns, then there is no future for the towns; it's as simple as that."

Histadrut Secretary-General Yisrael Kessar also admitted that work is no longer the uppermost priority in his party, which claims to represent labour. "Work isn't the only issue. What about Zionism, for example? Today emigration is considered as legitimate as any other alternative. The kibbutzim and moshavim are seen as merely an economic issue. It may be dangerous for me as secretary-general of the Histadrut to say this, but even labour relations have been reduced to fighting for rights without thinking about obligations and responsibilities."

Kessar said the welfare state is in the interests of the government no less than in the interests of the poor. "Thatcher and Reagan didn't erase the welfare state from the face of the earth; they just made changes on the fringes. They also want social peace."

He added that in Israel there is a struggle between what he termed the

"economic camp," and the "social camp." At times of economic crises, he said, it is the economic camp that, paradoxically, gains strength.

Though he readily conceded his analysis was simplistic, Kessar described the economic camp as proponents of *laissez-faire*, low taxes and the accumulation of wealth. They view the individual as a means of production. The social camp, on the other hand, favours limited competition, planning, redistribution of wealth and maximizing the potential of every individual in society. "One of the unfortunate things is that our own company, Hevrat Ha'ovdim, has adopted the attitudes and methods of the capitalist instead of developing an alternative according to our own ideals, and convincing the private businessmen to emulate us."

One of the inevitable topics in any discussion on the welfare state is selective vs. universal services. The social camp supports "universal services" which give equal opportunity to all, and believes that "selective services" are not only services for the poor but also poor services. The economic camp favours only services for those in the most dire need. "Someone who has more money than he knows what to do with wants to have a clear conscience and doesn't want to see people dying of starvation," Kessar said.

Ora Namir raised the issue of selective services from another angle altogether — not as services exclusively for the poor, but rather, better services for those who can afford to pay.

"In the education system, those who have money and who know what they want and how to get it — and the two usually go together — can give their children a better education than the rest of the population gets. And can we honestly claim that in the Histadrut Health Fund there are no situations where someone with money gets better care than someone without it?" she asked.

On being alone in the dark, or irrational fears

RANDOMALIA/Miriam Arad

PEOPLE who suffer from fear of flying are invariably told by friend and foe that driving from Tel Aviv to Haifa is far more dangerous, as if that were any help.

They know it is, but so what? We fear, much as we love or hate, against our better knowledge, which does not mean to say that the reason isn't knowable. Likely it is, but we can't all spend our lives on the psychoanalyst's couch.

Even fears that are based on perfectly solid grounds, like fear of water or fire, can take on disproportionate dimensions. Women's fear of rape, for instance, however well-founded, appears to have a certain irrational element in it. A girl of 20 or so once told me she used to be afraid of a man in her neighbourhood: an unpleasant individual who would leer at her horribly and give her the creeps. She used to have nightmares about him.

One day she went out with her boy friend, and there the man was, crossing the street. "See?" she said to her boy friend. "There's that scary character I've been telling you about."

"Him?" said the boy friend. "Scary? That doddering old wretch? You can run faster than him, can't you?" My girl says she felt a tremendous relief sweep over her. Suddenly she saw her boyfriend for what he was: a fat old bag of misery with a limp. Outrun him? The slightest push would knock him flat on his face.

ARE women more prone to these irrational fears than men? They do have that reputation, but perhaps it's only that they have society's permission to acknowledge their fears. The classic picture of a woman standing on a chair clutching her skirts be-

cause there's a mouse in the room evokes a smile. Put a man on that chair and what will you get? A snigger.

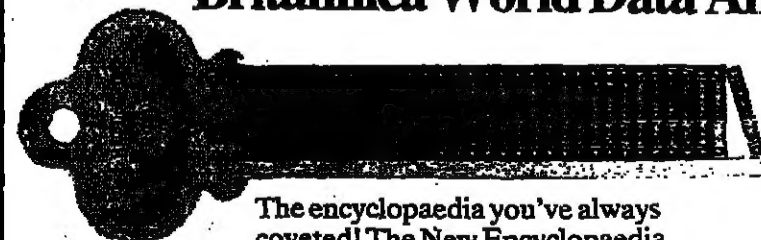
Some of our fears go back to childhood: fear of the dark, of thunder. Others overcome us at maturity: fear of heights; of open spaces; of closed spaces; stage fright, and its close relative, mike fright. There are less familiar phobias too, such as fear of the telephone — both ends of it, i.e., the making and taking of calls. However peculiar, it's not all that difficult to think yourself into any of these, the telephone included. It is a bit scary, isn't it, what with its sudden shrill clamour, its potential as a

barbinger of bad news, and the invisible entity at the other end of the line. With a little imagination you can make yourself afraid of anything.

Try it. Be afraid of tables. See them as four-legged monsters liable to begin stomping about the room at any moment. Or only waiting for you to pick up a crumb from the floor to come crashing down on you. Or full of malevolent intent to push you up against the wall as you sit there, crunch-crunch, chair and all. If you can do that, trying to imagine fear of flying should be a cinch, especially since what it comes down to is, after all, no more than fear of dying.

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BASEBALL

Angels, Red Sox like it out on their own

NEW YORK (AP). — Neither California nor Boston wants anything to do with a pennant race.

Both teams took advantage of losses by their pursuers in Tuesday night's Major League action to open up seemingly insurmountable leads in their respective American League divisions.

California beat the Cleveland Indians 6-1 and took an 8½-game lead over the Texas Rangers, who lost 3-1 to Seattle. The Red Sox, meanwhile, beat Baltimore 7-5 and moved eight games ahead of Toronto, who lost 5-1 to New York.

Angels 8, Indians 1
Kirk McCaskill, 16-7, pitched his 10th complete game of the season, striking out seven and walking two, and lost his shutout bid in the sixth when Julio Franco hit a sacrifice fly.

Red Sox 7, Orioles 5
Dwight Evans hit two solo homers and Marty Barrett drove in two runs with a double in Boston's three-run seventh as the Red Sox rallied to extend their winning streak to 10.

Mariners 3, Rangers 1
Seattle's Jim Presley hit a two-run homer, and Edwin Nunez won his first game as a starter since September 19, 1982 by pitching five scoreless innings.

Yankees 3, Blue Jays 1
New York's Mike Easler drove in a tie-breaking run in the eighth inning with a single, and Willie Randolph drove in an insurance run in the ninth with a sacrifice fly, backing Ron Guidry to his first victory since August 6.

Royals 11, Twins 3
Jamie Quirk hit a two-run homer and had his second three-hit game in two nights, pacing Kansas City to their third straight victory.

Brewers 3, Tigers 1
Milwaukee's Paul Molitor hit a double in the eighth inning that broke a 1-1 tie, and Ted Higuera worked seven innings to pace Milwaukee over Detroit.

White Sox 4, A's 1
Ron Hassey had three hits, including only his third triple since 1980, and scored three runs for the White Sox.

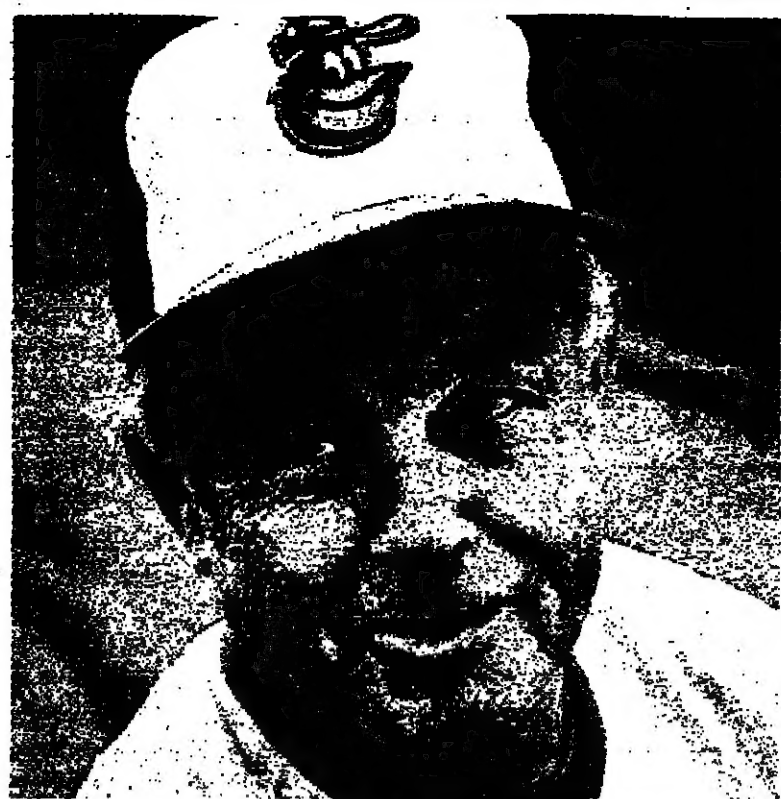
NATIONAL LEAGUE Expos 9, Mets 7
Andre Dawson's two-run homer with none out in the top of the ninth inning lifted Montreal over New York.

Cubs 8, Phillies 6
Leon Durham's two-run homer in the bottom of the 10th inning boosted Chicago over Philadelphia.

Cardinals 3, Pirates 1
Andy Van Slyke had three hits and one RBI and Clint Hurdle hit a solo homer to lead St. Louis over host Pittsburgh.

Giants 7, Padres 0
Mike Lacoss pitched a seven-inning, ending a personal eight-game losing streak, and San Francisco got home runs from Candy Maldonado and Bob Brenly to beat visiting San Diego.

Dodgers 9, Braves 5
Bill Madlock hit a two-run homer and Alex Trevino and Enos Cabell each contributed two-run singles to lead Los Angeles over Atlanta.



CALLING IT QUILTS — AGAIN. — Baltimore Orioles manager Earl S. Weaver, seen here just before he resigned from the club for the first time in 1982, has confirmed that he will not return as manager next year. Weaver, 56, began his illustrious career with the Orioles in July 1968, leading them to six American League East titles, four A.L. pennants and one world championship by 1982. During those 15 seasons the Orioles finished 1st or 2nd 13 times. Weaver came out of retirement in June, 1985, to succeed manager Joe Altobelli. He played 2nd base in minor league clubs for 13 years before starting his managing career in 1956 in the Orioles farm system. (Reuter telephoto)

AMERICAN LEAGUE EAST				NATIONAL LEAGUE EAST			
Team	W	L	Pct.	Team	W	L	Pct.
Boston	84	54	.609	New York	72	46	.609
Toronto	76	62	.551	Philadelphia	71	67	.514
New York	72	65	.523	St. Louis	69	69	.500
Detroit	71	68	.511	Montreal	68	69	.500
Cleveland	67	70	.496	Chicago	58	80	.420
Baltimore	67	71	.486	Pittsburgh	56	81	.409
Minnesota	65	71	.482				

WEST DIVISION				WEST DIVISION			
Team	W	L	Pct.	Team	W	L	Pct.
California	79	58	.577	Houston	80	58	.580
Texas	71	67	.514	Cincinnati	70	68	.507
Kansas City	65	74	.468	San Francisco	70	69	.504
Oakland	65	74	.468	Los Angeles	66	72	.478
Seattle	62	77	.446	Atlanta	64	73	.467
Chicago	61	78	.440	San Diego	63	76	.453
Minnesota	58	80	.420				

TUESDAY'S GAMES: Milwaukee 3, Detroit 1; California 8, Cleveland 1; New York 3, Toronto 1; Boston 7, Baltimore 5; Chicago 4, Oakland 1; Seattle 3, Texas 1; Kansas City 11, Minnesota 3

SOCCER

Britons face extradition to Belgium

LIVERPOOL (AP). — Warrants have been signed for the arrest of 26 Liverpool soccer fans allegedly involved in last year's Heysel Stadium riot, in which 39 people were killed, Merseyside police have said.

A spokesman said the fans are due to appear before a court in London on Monday, when extradition proceedings will begin. Belgian prosecuting authorities have said they will be pressing for a charge of involuntary manslaughter.

The 39 people who died were caught in a stampede when English and Italian fans clashed at the European Champions' Cup Final between Liverpool and Juventus in Brussels' Heysel Stadium on May 29, 1985.

The riot was blamed mainly on the Liverpool fans, and English teams have been banned indefinitely from playing in any of the three European club competitions.

Detective-Superintendent Bill Sergeant, the head of the Merseyside police serious crimes squad, issued a statement saying that the warrants were signed on Monday at Bow Street Magistrates Court in London.

The statement said officers of Merseyside police and other forces in the country would carry out the arrests as soon as possible. Of the 26,

only 12 are thought to come from Merseyside.

The warrants would be "backed for bail" so that the fans had to surrender themselves at Bow Street court on Monday, the statement went on.

At Harwich, a ferry crew, who are refusing to carry English soccer fans to Sweden for Wednesday's exhibition match in Stockholm, have the backing of their union and soccer officials.

Fourteen soccer fans were barred from travelling to the game when ferry officials refused to set off until the supporters were removed by police. The fans were among 900 passengers on board the "St. Nicholas" ferry, owned by the Sealink company and bound for the Hook of Holland.

The action came one month after 150 rival English soccer fans staged running battles on another Sealink vessel travelling the same route. Three people were stabbed and the company pledged it would not allow a repetition of the violence.

The National Union of Seamen, angered by attacks on ferry crews, said it would give full support to any of its members who refused to carry the fans. And Bert Millichip, Chair-

man of the English Football Association, said his organization had asked travel authorities to do everything they could to prevent trouble caused by fans.

Millichip said: "We have made it plain we do not want our fans to come to this game."

The match is the first played by England in Western Europe since its clubs were banned from European competitions because of the Heysel Stadium disaster.

Millichip said English soccer was "still on probation" in Europe, and added: "Trouble on our very first trip to the Continent is the last thing we want."

Sealink's ferry line manager, Bill Gibbings, told Wednesday's *Daily Mail* newspaper that those evicted from the St. Nicholas had been well behaved, but that the company was not prepared to take any chances. "These people had done nothing wrong, but we were forced to ask them to go for the sake of nearly 1,000 other passengers," he said.

Several other fans, including Irish backers travelling to Brussels for the European championship game against Belgium, were forced to submit their passports for the duration of the six-hour crossing.

Wimbledon ignore critics and just go on winning matches

LONDON (AP). — After three weeks of the new league season, Wimbledon, the team that the experts predicted would be back very quickly in the lower divisions, is sitting proudly on top on the standings, with four consecutive victories and a two-point lead over defending champions Liverpool, Nottingham Forest and Queens Park Rangers.

Not bad for a side that only turned professional nine years ago and began in the Fourth Division.

Manager Dave Bassett, who has masterminded Wimbledon's remarkable rise from obscurity to the top of one of Europe's toughest leagues, takes it all jokingly in his stride.

"Wimbledon has tennis, a greyhound track and stock car racing — and we come fourth," he quipped. "I admit I am a bit surprised to be on top, it's an honour to be there and I'd like to think it could last till next May."

Renowned for his Cockney humour and infectious confidence, Bassett has been at Wimbledon for 12 years — as a player, assistant manager and manager for the last five years.

"A lot of the players have been at the club for six or seven years, so we've kind of grown up together," Bassett said in a telephone interview. "There is a good morale and team spirit around the place."

Critics of Wimbledon denounce the club's unadventurous style of play, saying its long-ball game —

which takes the ball from defence to attack as quickly as possible while skirting the midfield area — stifles creative soccer.

Others, such as English Football Association Secretary Ted Croker, question the team's right to be playing among the elite clubs of the English League. Croker provoked some controversy when he said that facilities at Plough Lane, where season-ticket holders number just 800 and attendances rarely rise above 5,000, were inadequate to stage first division soccer.

But, instead of retaliating, Bassett has let his team do the talking. "We play the way that suits Wimbledon. It may not be pretty but that doesn't worry me," he said. "Of course, we would like more supporters through the turnstiles but we are only nine years old and have no tradition — yet."

Bookmakers have reacted to Wimbledon's success by slashing the odds on Wimbledon winning the first division title from 250 to 1 to 66 to 1. Bassett has just won the season's first Manager of the Month award.

"Most people think all we want to do is consolidate," he said. "But we have come into the first division with a view to winning it and winning everything else as well. If you don't think you can win something, there is no point in taking part. On the other hand, if we do slip down the table, it will not be the end of the world."

Wimbledon's most expensive player is John Fashanu, a big old-fashioned type of centreforward, who cost £125,000. There is a possibility that the 23-year-old striker will be transferred to Arsenal. Bassett has recent signing Colin Gordon waiting in the wings.

Bassett estimated the rest of his squad of 25 professionals were worth, collectively, no more than £150,000, a figure the big clubs regularly spend on reserve players.

With the highest-paid player at the club earning just £400 a week — poor by First Division standards — money is not a major motivating factor at Wimbledon.

It is the bond among the players and the charisma of their manager that have let the club from the Fourth Division wilderness to a place alongside the big names in English soccer.

Watford manager Graham Taylor, whose team were runners-up in the First Division three seasons ago playing the same brand of soccer as Wimbledon, thinks Bassett's side have more to offer than sheer enthusiasm and fitness.

"People talk as if they are just an up and under side. But they're not," said Taylor after his side lost 0-1 to Wimbledon.

"They're crafty, they're shrewd, and the longer people refuse to give them proper credit, the more successful they will be."

BASKETBALL

Weak bench, backcourt may hinder an otherwise solid Hapoel Holon

Post Basketball Reporter DON GOULD takes a look at European Cup Winners Cup contenders Hapoel Holon, in the second article in his series on the teams competing for glory in the Israeli basketball league

Many years of hard work have succeeded in transforming Hapoel Holon from a middle-of-the-table basketball team to one of the key contenders for the throne of champions Maccabi Tel Aviv. Their success has been predicated on developing solid young Israeli players who can play side by side with experienced American contract players. Besides looking for talent they also pay serious attention to the chemistry of the team.

Last year, their big man was 2.11-metre Joe Cooper. He was often lethargic and inconsistent. The other players were negatively affected by his erratic performances and Cooper was released. Veteran Cliff Pondexter was their other contract player. Pondexter, a usually reliable performer had reached the twilight of his career and couldn't maintain the fast pace. He's back in Europe this year.

To replace these two Hapoel Holon obtained the services of James Terry, who two years ago played his wares with Maccabi Haifa. Terry actually plays as an Israeli after having become a citizen while in Haifa. He doesn't have quite the size of Cooper either in height or breadth, but he gives 100 per cent all the time and has enough overall skills to make himself a power to be reckoned with at both ends of the court.

Holon set out to find the best power forward available and came up with 2.05-metre Alex Bradley. Bradley, after graduating from Villanova, played one year with the New York Knicks in the NBA and then went to France where he compiled

superb statistics as a shooter and a rebounder, holding a double number average in both. His shooting percentage was impressive as well, reaching almost 60 per cent. It has taken Bradley some time in pre-season play to adjust to the hot weather and Israeli-style basketball, but he should settle in and satisfy the management's high expectations of him.

Desi Barmore, the second contract player at 2 metres, can be counted on — as he has been for the last two years — to give a solid all-round performance. He rebounds well, is a hard-nosed defender and has 3-point range to his outside shooting. Holon's front line, therefore, is solid.

In the backcourt, Holon have national team player Yisrael Elimelech and veteran Niv Bugin. Bugin is not spectacular and bases his game on not making many mistakes. He does not have the consistency to perform as a shooting guard.

Elimelech, who plays the point, may lead the league in hustle, but not in talent. He neither penetrates effectively nor at the right time. His outside shooting is only average and not good enough to keep the defence honest.

Unfortunately for Hapoel, their best outside shooters are Barmore and Bradley, and coach Mooli Katzorin needs them both underneath the boards.

Holon lacks depth, with only Ofer Ya'acobi recently re-acquired from Hapoel Tel Aviv and 16½-year-old Tomer Hanoch giving the starting



Yisrael Elimelech (Guthmann)

five the support they need. Hanoch, within two or three years, could develop into the best point guard in Israel.

Hapoel Holon are competing this season in the European Cup-Winners Cup and will have a tough time both in Europe and in the league until they solve their backcourt problem.

Although, with every other team in the league, the first question is how good are the American contract players, that is not the case with Holon. They lost a bidding war with Hapoel Tel Aviv to retain the services of one of the best shooting guards in Israel, Chaim Zlotnikman. Without him in the backcourt their offense is not balanced.

Katzorin may have to bench Bugin, move Barmore to the shooting guard position and use Ya'acobi at shooting forward to give his team better balance.

It will not be an easy year for Holon with a weak backcourt and a thin bench, but they are still solid enough to finish somewhere in the upper echelons of the league.

In the midst of war

NICOSIA (AP). — Iranian athletes will compete against Iraqi teams at the Asian Games in Seoul this month despite the six-year-old Gulf war between the two countries, Iran's Deputy Premier, Ahmad Dargahi, has announced.

Iran's official Islamic Republic News Agency (Irna) quoted Dargahi, who is also the head of Iran's Physical Education Organization, as saying "The account of the Iraqi nation is separate from that of the Iraqi regime."

Irna, monitored in Nicosia, quoted Dargahi as saying "The enemies of Islam" do not want Iranian sportsmen to have any success in

Seoul and even hope that they will be barred from the Games.

"These enemies believed Iran would not play against Iraqi athletes who are themselves from among the world society of Moslems and the deprived nation of Iraq," he was quoted as saying. "Iran will participate actively in the Games and will foil the enemy's dreams of omitting Iran from the Games," Irna quoted him as saying.

Iran is sending 94 athletes to the Games, which open in Seoul on September 20 and run until October 5. More than 11,000 athletes are expected to take part.

VOLLEYBALL

China safe bet

PRAGUE (APF). — China have lost only one set in their complete domination of the Women's World Volleyball Championships and are a safe bet to take the gold medal on Saturday here.

The Olympic champions and World Cup holders finished top of their group to reach the medal round undefeated and will play Peru in tomorrow's semi-finals.

In the other semi-final, European silver medalists East Germany meet Cuba, another unbeaten side, who are expected to go through to the final.

Edinburgh Games

EDINBURGH (APF). — The 13th Commonwealth Games, which finished here five weeks ago, lost £4m., despite publisher Robert Maxwell's intervention in June to prevent a deficit. Maxwell insisted that there had been huge additional costs because of the boycott by 32 countries.

"That caused £2m. worth of damage and pushed the costs above £1m.," said the newspaper chief, none of whose bills to the boycotters have been paid.

Maxwell gave only £250,000 to the Games.

CHESS

Kasparov employs a time out

LENINGRAD (APF). — Yesterday's 15th game in the World Chess Championships has been put back to tomorrow after champion Gary Kasparov called his second time out.

Kasparov, who leads by eight points to six, is considered to have planned the break to put optimum pressure on fellow Soviet challenger Anatoly Karpov.

"It is clearly a psychological ploy," said Soviet grand master Edward Gouffeld.

Kasparov has won three and lost one game in the 24-game series. That defeat came in the fifth game. Gouffeld added: "Kasparov does not want to repeat that debacle, when after winning on the white pieces in the fourth game he was beaten in 32 moves the next day."

Kasparov needs to draw 12-12 to retain his crown whereas Karpov must gain three wins and seven draws in the remaining 10 games to regain the title he lost last November in Moscow.

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World trade talks could be quantum leap or dismal failure

GENEVA (Reuters). — The Reagan administration's efforts to force major commercial nations into negotiations to expand free trade come to a head in a wind-swept South American beach resort next week.

Industry and Trade Minister Ariel Sharon will lead Israel's delegation to the trade conference with representatives from the ministries of Industry, Energy and Foreign Affairs. In addition, Sharon will visit Peru, Colombia and Venezuela, as well as meet with American investors and businessmen in the U.S.

President Reagan's four-year campaign is intended to start the most ambitious round of trade negotiations since World War II.

Trade ministers from the 92 states of the General Agreement on Tariffs and Trade, commonly known as GATT, will pass judgment on the U.S. initiative when they hold a week-long meeting, starting September 15 in Punta del Este, Uruguay. In the end, they hope to fix an agenda for negotiations that could last some five years.

But first, many hard bargains must be struck.

Full acceptance of the Reagan proposal would be a quantum leap for the world trading system forged in 1948 from the wreckage of the war. But deep divisions among GATT members could make the talks in Uruguay a dismal flop, unleashing protectionist pressures pent up around the world.

Reagan officials have pressed relentlessly to expand the post-war GATT mandate, covering some \$2 trillion in annual trade in manufactured and agricultural products.

They want GATT nations to open their markets to competition and regulation in four new areas. These include:

- Freeing agricultural trade, in particular stopping government subsidies and letting farm exports compete head-on in world markets.
- Opening economies to competition in the \$500b. a year service sector, such as insurance, construction, transport, tourism and banking.

- Freeing trade-related investments so that money could move among the GATT states unencumbered by domestic controls.

- Curbing illegal counterfeit goods that account for some \$1b. a year in trade, from bogus trade marks on blue jeans to pirated videos and cheap counterfeit airplane parts.

Reagan officials also want GATT's powers amended to enable it to settle trade disputes, giving the Geneva-based group precedence over national trade rules.

Faced with intense pressure in the

U.S. Congress for laws to protect American industry from foreign competitors, Reagan trade officials insist on including all these issues on the Agenda. Most GATT members support the items that would assist their exports, and reject those they see harming their interests.

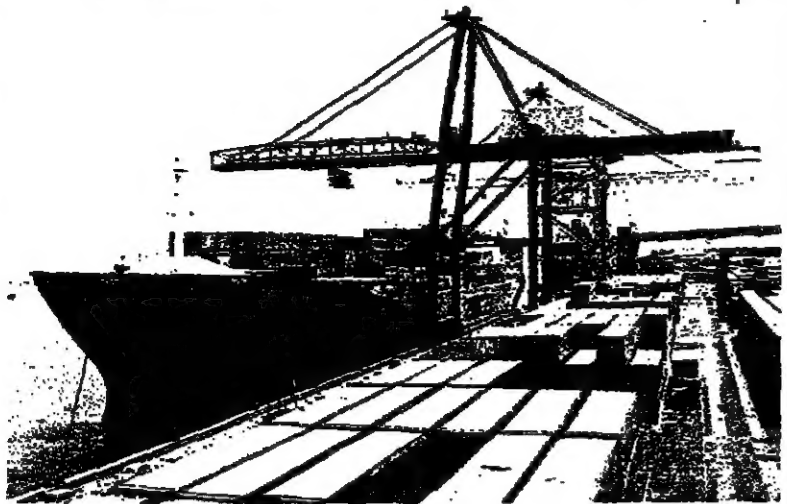
The 12-nation European Community, for instance, has become a strong advocate of negotiations to free international trade in services but remains staunchly opposed to negotiating on its large subsidies to help farm exports.

The EC's position, particularly

view that new talks are essential to promote economic growth and avoid the trade barriers that aggravated the 1930s great depression.

South Korea and other Asian countries, Colombia, Mexico, Nigeria and other African states back this view, and have started to look for the best deal for their own economies. Appearing to side with these countries are the two latest converts to the Western, liberal ideal of free trade — China and the Soviet Union.

Peking has applied for GATT membership, giving it the right to send a



Loading up at Haifa: The Reagan administration is looking for major liberalization of world trade, but it is meeting resistance from many of GATT's 92 member nations. (Fuchs)

that of France, could prove the major obstacle in Punta del Este, where the U.S., Australia, Argentina, Colombia, Uruguay and New Zealand among others will be taking a tough stand for agricultural free trade.

A small, hard-line bloc of less-developed nations led by Brazil, Argentina and India strongly supports the American call for freer agricultural trade but fiercely opposes the other Reagan agenda items.

The hard-liners oppose opening their market to competition from powerful EC and U.S. service industries, permitting money to move without government control, or expanding GATT jurisdiction.

In Punta del Este they will renew their call for GATT to concentrate on its traditional field of trade in goods, and to focus on finding ways to enforce past agreements.

But most trade ambassadors who have been on the front line of the new round fight agree the Reagan agenda will dominate the meeting.

At the centre of the GATT are some 30 less developed countries which have come to accept the Reagan

delegation to Punta del Este. Moscow has sought permission to join in the subsequent negotiations to gather information which could lead to application for membership.

Both are aware that a full-blown "Reagan round" would cover all aspects of world trade, and mean drastically freer movement of imports and exports in all member economies.

Punta del Este is formally a ministerial level meeting of the GATT contracting parties. This means ministers can take political decisions as well as varying the GATT accord by unanimous consent.

Reagan administration officials fought a tough diplomatic campaign over the past year to force GATT ministers to the table where they will be officially deciding the "modalities and agenda" for a new round of world trade negotiations.

As ministers they will be empowered to take the political decisions on behalf of their national governments which could lead to a grand compromise. But they could also dig in their heels if they believe their national interests are threatened.

Income from renting out an apartment as a residential dwelling is taxable after an allowance for the various deductions. Since the return on home rentals is generally low in Israel, it is often possible to end up with minimal taxable income and therefore incur minimal taxes on it.

A real (and not nominal) depreciation allowance is permitted, calculated at 3 per cent a year of the value of the apartment or house. The value for the purpose of calculating the depreciation is determined by three factors. If the dwelling was assessed for property tax in 1980, then it will be valued according to that assessment, with special provisions governing "protected tenants." If the value of the apartment has been fixed under the Land Betterment Tax Law, then it will be valued for tax purposes at the amount.

In all other cases, the value will be

THE TAX BURDEN / Jeff Broide

Trimming taxes while taking on tenants

based on the actual cost, adjusted for inflation. That is done by calculating the increase in the price index between October of the year the property was purchased and the index published on March 15, 1979.

The value is adjusted each year for inflation by half the increase in the index during the year, plus the full change in the index between the purchase date and the beginning of the tax year under review.

Depreciation is deductible if the property has been leased for at least

10 months during the tax year. If the lease period is less, the amount allowed is reduced proportionately. It should be noted that the amount of this deduction will be added back for capital gains tax purposes, on the sale of the apartment.

Interest paid on the mortgage or any other loans used to finance the apartment or home is also deductible, as are such things as exchange-rate differences or changes in consumer prices on such loans. Loan or mortgage repayments are of a capital

nature and therefore not deductible. Municipal taxes (*amona*) are fully deductible, as are maintenance expenses, provided they conform to the principles of repair and normal wear and tear. In other words, the expenses must be incurred so as to maintain the condition of the apartment and not improve it or alter its original state.

Rental income received by an individual who has moved elsewhere in the country for reasons of business or employment is exempt from income tax for up to five years. However, the exemption cannot exceed the rental paid on the home rented in the new area of abode. The exemption is granted on rental income from the taxpayer's permanent residence.

The writer is a Certified Public Accountant (Israel). Questions may be addressed to him at The Jerusalem Post.

WORLD BUSINESS IN BRIEF

Norway plans 10% cut in oil exports for two months

OSLO (Reuters). — Norway announced yesterday it would cut its exports of North Sea oil by 10 per cent in November and December, joining Opec-led moves to curb an oversupply in the world market in order to defend prices.

The Oil and Energy Ministry said in a statement that royalty oil produced in the fourth quarter of 1986, which is given to the state as a form of taxation by producers, will be stored and used as emergency reserves.

Norway's Labour government had already said that it would join measures to boost oil prices if the Organization of Petroleum Exporting Countries could initiate production restraint. Opec agreed in August that its 13 members would pump oil according to assigned quotas.

OPEC WILL CONSIDER new output levels next month, Indonesian Energy Minister Subroto said yesterday.

He said that at the next Opec meeting in Geneva, scheduled for October 6, the 13 producers would reconsider output levels for November after reviewing the impact of present cutbacks on world crude prices.

UNITED ARAB EMIRATES oil output in the first week of September averaged 1.2 million barrels per day and is likely to stay above its 950,000 a day Opec quota for the rest of the month, industry sources said yesterday.

Other sources said Tuesday that Saudi Arabia was also producing well above its 4.353 million barrel a day quota set for September and October under last month's agreement by the Organization of Petroleum Exporting Countries.

The UAE's early September level was 20 per cent less than its August

average of 1.5 million barrels daily, and the sources did not rule out the possibility that it could fall further by the end of September and during October.

BONN MAY LOWER interest rates, perhaps before the International Monetary Fund (IMF) meets in Washington this month. The New York Times reported yesterday.

The Times quoted senior West German banking and government officials as saying it was unclear whether the cut would form part of a co-ordinated international action or whether Washington might respond by according to West German requests for discussion of steps to halt the dollar's slide. The Bundesbank declined to comment on the remarks, but Frankfurt bankers ruled out the prospect of a cut today when the bank meets.

SWISS BANKS got a boost from the government with a series of tax changes announced yesterday, aimed at winning business back from London and other financial centres. The Swiss Finance Ministry issued

a decree ending the tax on gold sales and on interest paid on longer-term deposits that banks make with each other, effective next month. It also halved tax bank customers would have to pay to buy bonds issued abroad in currencies other than the Swiss franc.

"The measures should help to promote Switzerland as a financial centre without substantially burdening the federal budget," the ministry said.

THE VALUE OF THE DOLLAR is being intentionally weakened against the currencies of Third World countries, the yen and the Deutschmark, a major international bankers' organization says.

"In recent months, the U.S. has extended its campaign to weaken the dollar to the currencies of the developing countries," said the August issue of *IIF Overview*, the monthly magazine of the Institute of International Finance.

The IIF said it agrees that the price of the U.S. dollar is too high in comparison with the currencies of most Asian countries.

U.S. 2nd-quarter trade gap fell 1.2%

WASHINGTON (AFP). — The U.S. trade deficit, calculated on a balance-of-payments basis, shrank to \$36 billion in the second quarter, a decline of 1.2 per cent from the first three months of the year, the Commerce Department reported Wednesday.

Calculation on a balance-of-payments basis covers civilian goods and excludes freight and insurance costs.

On this basis, according to the

department, the deficit in the first quarter came to \$36.5b. after a record \$37.35b. in the final quarter of 1985.

From April to June, imports reached a record high value of \$99.08b., 0.8 per cent above the first quarter, but exports, reflecting large gold sales to Japan, rose 2.1 per cent to \$54.8b.

In annual terms, the trade deficit on a balance-of-payments basis stood at \$145b. for the first half of 1986, against \$124.46. over the first six months of 1985.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 1986 IN NIS 000's (unaudited)*			
	31.12.85 (Audited)	30.6.86	30.6.85
ASSETS			
Cash and deposits with Bank of Israel	223,364	260,839	
Deposits with banks	86,958	100,382	
Bonds for investment	85,739	107,716	
Securities for trading	254	254	
Loans to the Government	15,425	9,593	
Loans to the public	248,158	205,709	
Buildings and equipment	36,198	36,889	
Other assets	11,525	10,905	
	599,374	612,373	1,120,373
LIABILITIES			
Deposits of banks	14,146	23,916	
Deposits of the public	794,372	944,417	
Deposits for granting of loans	41,961	61,800	
Subordinated Capital Notes	15,004	19,957	
Other liabilities	15,655	28,211	
Total liabilities	889,138	1,078,300	
Outside shareholders' interest	15	12	
Shareholders' equity	50,302	42,061	
	919,455	1,120,373	
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS IN NIS 000's (Unaudited)*			
	For the 6 months ending on 30.6.86	30.6.85	
Operating profit before taxes	11,315	16,726	
Provision for taxation	7,802	12,789	
Operating profit after taxes	3,513	3,937	
Portion of outside shareholders	—	2	
	3,513	3,939	
CONSOLIDATED STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY IN NIS 000's (Unaudited)*			
	1.1.86 to 30.6.86	1.1.85 to 30.6.85	
Shareholders' equity at the beginning of the period	46,906	38,127	
Net profit for the period	3,513	3,939	
Dividend (gross)	(1,117)	(5)	
Shareholders' equity at end of the period	50,302	42,061	

* Adjusted for the effects of inflation, according to the Index of June 1986.

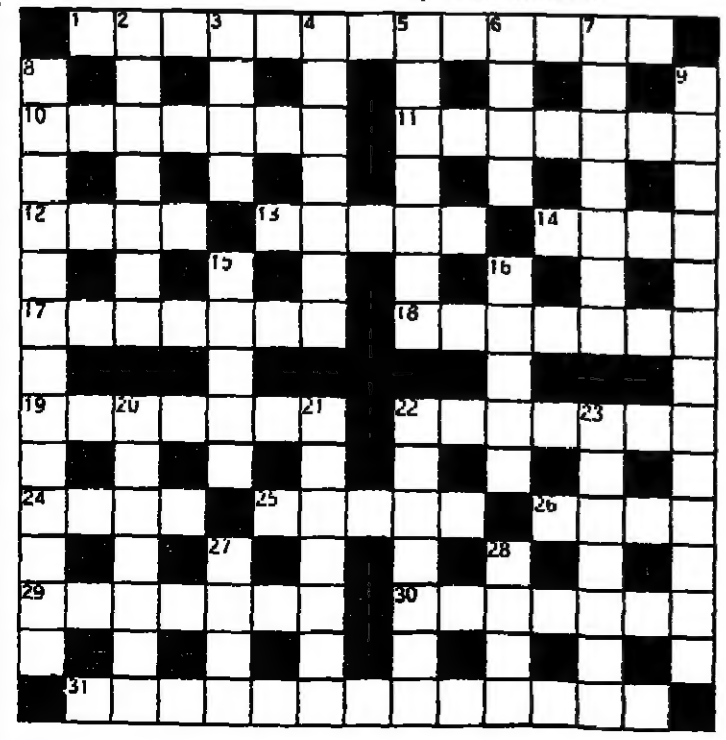
** Audited.



ONE-ON-ONE CROSSWORD

ACROSS DOWN

- Thinking radio's not nice — so old! (13)
- Leaves about fish colours (7)
- Stretching from the last ice-age (7)
- It would be right to back him (4)
- Peevish note written with a pen (5)
- A famous Venetian sport (4)
- Detectives involved in party division (7)
- Disproving service fault possibly (7)
- Pressing for a little time (7)
- The Spanish chase madly around this part of London (7)
- An agent over 50 (4)
- A pool for the cat? (5)
- Advanced fast (4)
- Getting close — could well be in range (7)
- Chet and put on an elderly woman (7)
- The weatherman got some troler all confused (13)
- Love dressing down, in a manner of speaking (7)
- Notice a certain blemish (4)
- Underworld boss dispatched for failure to agree (7)
- The person letting about a quarter come in again (2,5)
- Leaves kind leader in a wood (4)
- Correspondence sent to a remote settlement? (7)
- Moving work on the stage — but not performed by actors (5,8)
- Teachers of science, too harmless to be troublesome (13)
- Some people harass a musician (5)
- N's used repeatedly (5)
- A mount put in wise safe-keeping (7)
- The result of pressure here is a letting off (7)
- Make a strong point of dialect (7)
- Vehicles left with some advantage on board (7)
- Don't show the skin (4)
- Taking bearings, a soldier upset the drink (4)



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ACROSS: 1 Home, 4 Devices, 8 Intercede, 10 Discrimination, 11 Rait

DOWN: 2 Beneath, 3 Test, 5 Negative, 6 Waterfall, 7 Baltic country, 8 Prepared, 13 Dark-haired, 15 Serious, 17 Middle, 18 Sunder, 19 Ruin, 22 Vacillate, 23 Verdict

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F A F G N R S O
S A M P L E A D H E S I V E
H P U A P N G
O L I V E R E N D A N G E R
R N N C I L E
E I G H T S R E P R I V E

QUICK SOLUTION

ACROSS: 1. Reetroot, 7. Tummy, 8. Ragatelle, 9. Run, 10. Even, 11. Strict, 13. Sudden, 14. Bustle, 17. Splice, 18. Mics, 20. Gem, 22. Charwoman, 23. Shark, 24. Flapship, 25. Rattle, 26. Oblate, 27. Frighted, 28. Rate, 29. Oblate, 30. Smart, 31. Cygnus, 32. Tridump, 33. Felloch, 34. Suez, 35. Triumph, 36. Scrawl, 37. Smear, 38. Sun-up, 39. Swag.

MARKET PLACE

PINHAS LANDAU

Hurwitz changes sides

There was always an ambivalence about Eli Hurwitz, the well-known industrialist and head of the Manufacturers' Association, being named chairman of Bank Leumi and, most recently, head of the Association of Banks. It's difficult to be both an industrialist and a banker simultaneously, in Israel as much as anywhere else. The nearest anybody came to it was, perhaps, the late Daniel Recanat, and even he was more an investment banker with extensive industrial interests, than a genuine industrialist.

Given the problems of playing both sides, it was inevitable that Hurwitz would have to choose where his primary emphasis lay. Yesterday, the metamorphosis was completed, and Hurwitz the champion of the industrialists was formally replaced by Hurwitz the hard-headed and hard-hearted banker. The public debut of the new style Eli Hurwitz took place, appropriately enough, at the annual conference of the Manufacturers' Association, where that body's former head lashed out at his erstwhile colleagues. He had no compunction in thrusting some long-overdue plain truths into the unwelcome ears of his successor, Dov Lautman, and of the industrialists in general and the electronics sector in particular.

This latter group, until only last year the blue-eyed boys of the Israeli economy, are now the whipping boys for anyone wanting to have a go at Israel's industry in general. In a country whose industrial policy is based on taking taxpayer's money and throwing it away in uneconomic and unnecessary ventures in every conceivable area — and some that are barely conceivable — electronics has taken a massive chunk of government support. At least it delivered results in terms of surging exports and good profitability, until the bottom fell out of the world electronics boom last year. The dramatic turnaround in Israeli government policy in July 1985 was not less finished the job on the old generation of high-tech wonders, and the plight of the Elscats, Scitexes and ECIs is well known.

Faced with unprecedented problems, the electronics people did what all Israeli industrialists have always been trained to do — they went crying to the government for help. They asked for special exchange rates, more export subsidies, a restoration of cheap interest rates — anything that would make life easier for them. To their amazement, the Treasury and Bank of Israel told them there would be no devaluation, overt or covert, no subsidies, nothing.

A great walling has gone up in response, and Industry Minister Ariel Sharon has become the milky champion of these would-be budget busters, seeking to save themselves by getting state help. Economics Minister Gad Ya'acobi and other Labour Party ministers of the old school, including the prime minister, would like to help them. Only finance minister Yitzhak Mordechai and his successor Moshe Nisim, supported by Treasury Director General Emmanuel Sharon and central bank Governor Michael Bruno, have prevented a slide back into the old ways.

The plight of the industrialists, especially the exporters to the dollar bloc, and most particularly the high-tech crowd, is really most pitiful. Nevertheless, the sight and sound of Hurwitz putting the boot into his old mates, when they are already on the floor, is positively heart-warming. They deserve it, and more.

They deserve it, because it's the only way they will realize that the old route of distortions through subsidies is gone for ever; they deserve it even more because what they should be saying is not "give us public money," but something like "if you really want to end the method of subsidization, then give us an across-the-board tax reform so that our costs will fall and we can compete abroad."

That line, however, is only given lip-service by Dov Lautman and his "pampered" cronies, as Hurwitz correctly described them. What they really want is the easy life of directed funds, grants, supports and the rest. The more brutally they are disabused of these notions, the better off we will all be, including those of them who can run a real business.

As for Hurwitz the banker, we will hear next Monday what he proposes for the ills of the banking industry. Will he demand government aid and hence perpetuate the de facto nationalization of the banking industry. Or will he exchange the freedom of the banking industry and the consequent need for it to stand or fall on its merits from the domination of the Treasury and the state budget?

August exports up 15%

By AVI TEMKIN
Post Economic Reporter

Exports continued their strong recovery last month, bringing the figure for the first eight months to \$4.39 billion, an increase of 15 per cent from the same period last year, the Central Bureau of Statistics reported yesterday. Exports of merchandise in August totalled \$454 million, a 21 per cent jump from August 1985, the bureau said.

The increase in exports has helped narrow the trade deficit in recent months, the bureau's figures showed. The average monthly level of the trade deficit for June-August was \$160m., down 28 per cent from the first quarter of the year and 19 per cent from the last quarter of 1985.

Nevertheless, the cumulative deficit for the first eight months of the year still registered a rise of close to 12 per cent from the same period last year. The deficit in the January-August period came to \$1.54b.

The news about the surge in exports came one day after the president of the Manufacturers' Association, Dov Lautman, warned that exports were stagnating. Speaking at the annual conference of the associa-

tion, Lautman said immediate measures were needed to prevent a deterioration of the situation.

Lautman's statement was the latest in a campaign by the industrialists to coax the Treasury into granting subsidies to manufacturers exporting to the U.S. The campaign has been supported by the Industry Ministry, which yesterday said the figures about the increase in exports "did not change the trend of exports." The ministry spokesman said the "problems faced by exports to the dollar area are still alive."

In clear contrast to the reserved reaction by the Industry Ministry, the Treasury responded with marked delight at the trade figures. The ministry pointed out that there was a marked trend towards increased exports, which should continue in the second half of the year. The ministry stressed that in the last two months there had been an average increase of 21 per cent in industrial exports from their average level in the first half of the year.

Treasury officials said privately that the industrialists launched their campaign for an immediate increase in subsidies for exports some weeks ago, since they feared fresh export

figures would prove there was no stagnation in exports.

The figures released yesterday showed industrial exports, excluding diamonds, came to \$2.89b. in the first eight months of the year, compared with \$2.67b. in the same period last year, a rise of 8 per cent.

The bureau added that the average monthly level of industrial exports for the last three months stood at about \$418m., some 15 per cent above the average level for the first three months of the year. Industrial exports in June-August were boosted by a 20 per cent surge in machinery exports from the first quarter of the year. Exports of food products and textile goods each increased 8.5 per cent in the last three months.

Exports of polished diamonds continued rising. In the last three months the exports of diamonds averaged \$148m. a month, 18 per cent more than in the first quarter of the year. In January-August exports of polished diamonds totalled \$1.07b.

Agricultural exports totalled \$400m. in the first eight months of the year, an increase of 17.5 per cent from the same period last year.



Dan Gillerman

Gillerman says gov't delaying tax reform

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV — The government is smothering the tax reform with red tape, bureaucracy and excuses, Dan Gillerman, president of the Federation of Israeli Chambers of Commerce, said yesterday.

Gillerman urged the government to immediately begin implementing the reforms, which he called a vital step towards growth and economic recovery.

He noted that if the government did not implement a reform programme of its own accord, external pressures would force Israel to do so. In the meantime, precious economic potential will be wasted.

The excess funds accumulated by the government from taxes will amount to \$1 billion by the end of this year, Gillerman said. But, instead of using the revenue surplus to cut taxes, the government is proposing ineffective cosmetic changes in the tax structure, he charged.

The Federation has proposed that the company tax be reduced from 61 to 37 per cent, while taxes on individuals be cut from 25 to 60 per cent to 10 to 15 per cent.

The proposal also calls for elimination of distortions and discrimination in the present tax system, and the end to various tax exemptions.

"Our talks with American officials will be on critical issues, and therefore it is important to exchange ideas before leaving [for the U.S.]"

BUSINESS BRIEFS

'Companies have till Monday to publish results'

The Tel Aviv Stock Exchange has reiterated its warning to companies whose business year ended last March 31 and have yet to publish their results for the year that final deadline is next Monday.

Companies which to have published their results by the deadline will have their shares suspended from trading until the figures are released.

As of the beginning of this week no less than 38 firms were on the exchange's list, although the official legal date for them to file their results was August 31, four months after their business year ends.

DEAD SEA PERCLASE Ltd., a subsidiary of Dead Sea Works Ltd., has filed for a NIS 6.75 million public offering of shares and options. It will mark the company's debt on the Tel Aviv Stock Exchange, although its state-owned parent has been a listed company for many years.

Perclase is a manganese-based chemical that is used as a raw material in the production of bricks for steel furnaces, and for other manganese products. Some 90 per cent of the company's production is exported, mainly to Western Europe. Most of the money raised from the new issue is earmarked for expanding production facilities.

THE BOARDS of Landeco Rubinstein Investments and one of its subsidiaries, have authorized the sale of their 66 per cent stake they hold in the Kopel Drive Yourself Ltd. car rental firm. Kopel was forced into receivership because of an undisclosed guarantee it extended to its parent, Kopel Tours Ltd. before it went bankrupt last year.

Landeco has already set aside \$1.8 million in its accounts to cover a guarantee it gave to Bank Discount for Kopel Drive Yourself's liabilities. However, Landeco is close to an agreement with Bank Discount whereby it will pay the bank \$1.3m., of which \$600,000 will come from sale of the shares and options in Kopel Drive Yourself and the rest will be paid off with interest over five years.

Discount will then waive any further claims it has on Kopel Drive Yourself regarding guarantees that company gave the bank for loans taken by Kopel Tours.

A PUBLIC OFFERING of \$20 million principal amount of convertible subordinated debentures by Laser Industries Ltd. began this week. The 8 per cent debentures due September 15, 2006 are priced at 100, with a conversion price of \$14.855 a share. Drexel Burnham Lambert is the sole underwriter of the offering.

Laser Industries, a maker of surgical laser systems based in Neve Shalom, said the proceeds from the sale would be used to pay outstanding debt, increase working capital and be used for general corporate purposes.

DIRECT FREIGHT SERVICE between Israel and Central America will commence this month, under Corimed Shipping Lines, a joint venture of Zim Navigation Ltd. and Haifa-based Maro Seaways Ltd. A spokesman said Corimed would initially put two chartered foreign freighters on the line with ports of call in Ecuador, Colombia, Venezuela, Panama and Guatemala. Other countries will be added if there is demand. The line will have regular sailings once a month from Haifa.

Discount to give up direct control of mutual funds

By PINHAS LANDAU
Post Finance Reporter

Israel Discount Bank yesterday became the first commercial bank to divest itself of direct control of its mutual-fund management subsidiary.

Control over its Ilanot unit, which manages 19 different mutual funds, will be exercised by the Discount Investment Corp. (DIC), a subsidiary of IDB Development, Discount said. The move will separate Ilanot from the bank both administratively and as regards ownership.

Discount has thus made an important move in the direction of reducing conflicts of interest, one of the main themes of the Bejski Commission report. The issue is also likely to feature prominently in the projected capital-market reform as approved by a ministerial panel Tuesday.

Banks Leumi and Hapoalim each have mutual-fund groups managed

by direct subsidiaries, although Leumi's PIA Group operates independently of the bank itself. Hapoalim's mutual-fund operation is closely tied to its general securities activity, but the bank is undertaking to change this.

Ilanot's 19 funds had total assets of NIS 350 million at the end of August. Last month it introduced a new fund, Rimona, which specializes in short-term investments. Its success helped the Ilanot group's market share rise to 15.7 per cent.

The transfer of control of Ilanot to DIC represents a return to the situation that existed until 1981, when the mutual funds passed from DIC to Bank Discount itself. In the late 1970s, income from mutual-fund management was an important factor in DIC's profits, and may now become so again, especially in light of its poor returns from industry in the last two years.

Peres solicits advice from industrialists

By AVI TEMKIN

The government will take steps shortly to aid industry with lower interest rates and taxes, Prime Minister Peres promised 30 of the country's top business executives at a hastily called "economic summit" yesterday.

The participants received their in-

itations barely seven hours before the gathering in the premier's Jerusalem office. Also in attendance were all the ministers with economy-related portfolios, as well as a host of senior economic policy-making officials.

Peres said the meeting was called at the last minute because he ex-

pected important decisions regarding the economy to be made later this month, when most of Israel's top economic policy-makers will be in Washington.

"Our talks with American officials will be on critical issues, and therefore it is important to exchange ideas before leaving [for the U.S.]"

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	115.57 +0.21%
Non-Bank Index	148.25 +0.32%
Arrangement	103.08 +0.15%
Insurance	191.78 +0.85%
Commerce, Services	180.86 +0.81%
Real Estate	180.81 +0.77%
Industrials	134.62 +0.07%
Textiles	124.46 +1.30%
Metals	88.58 -1.56%
Electronics	138.88 -0.26%
Chemicals	118.97 -0.32%
Investment Cos.	142.74 +0.06%
General Bond Index	106.81 +0.20%
Index-linked Bonds	111.45 +0.20%
Fully-linked	113.43 +0.32%
Partially-linked	110.03 +0.07%
Dollar-linked Bonds	94.52 +0.22%
Short-term 0-2 yrs	108.67 +0.07%
Medium-term 2-5 yrs	109.20 +0.23%
Long-term 5+ yrs	104.74 +0.25%

Turnovers:

Shares - total	NIS 9,106,200
Arrangement	NIS 1,302,500
Non-bank	NIS 7,803,600
Banks - total	NIS 5,948,100
Index-linked	NIS 4,286,800
Dollar-linked	NIS 1,379,500
Treasury Bills	NIS 3,520,300

Share Movements:

Advances	165 (107)
Declines	38 (13)
of which 5%+ "buyers only"	4 (7)
Declines	98 (168)
of which 5%+ "sellers only"	2 (2)
Unchanged	122 (112)
Trading Halt	29 (27)

Bond Market Trends:

Index-linked	Stable/rises to 1%
3% fully-linked	

4.25% fully-linked

80% linked	Stable
Double-linked	Mixed to 0.5%
Dollar-linked:	
Admon	Slight rises
Rimon	Slight rises
Gil, Curr.	Slight movements
denominated	
Treasury Bills	Stable/slight rises
(annual yield)	18.20-18.75%

Arrangement yields:

IDB ord.	16.04%
Union 0.1	16.02%
Discount A	16.33%
Mizrachi r.	15.98%
Agon 5	15.98%
General A	15.98%
Leumi stock	16.67%
Fin. Trade 1	16.15%

SELECTED PRICE QUOTATIONS

Name Price Volume % '000NIS change

Commercial Banks	
(not part of "arrangement")	
Maritime 1	1141 2482 +0.8
General non-arr.	24000 78 +1.1
First Int'l	3650 1099 -
RBI	3954 4128 -0.8

Commercial Banks	
(part of "arrangement")	
IDB	78410 178 -0.1
Union 0.1	58200 38 -
Discount	96550 38 -
Mizrachi	32270 159 +0.2
Hapoalim r.	53325 427 +0.2
General A	136250 427 -0.0
Leumi 0.1	34080 1087 +0.2
Fin. Trade	44810 1 -0.0

Mortgage Banks	
Leumi Mort. r.	5170 100 -
Dev. Mort.	1865 1185 +1.0
Mishken r.	2080 390 +0.0
Tefahot r.	13800 28 +2.2
Merav r.	5808 308 -3.3

Financial Institutions	
AgriC	no trading
Ind. Dev. DD	no trading
Clal Leasing 0.1	21400 98 +0.9

Insurance	
Ararat 0.1 r.	820 491 -1.0
Heasheh	268 35028 -
Phoenix 0.1	730 628 -
Hamishmar	6550 172 -1.2
Manorah r.	2201 165 +1.0
Shahar r.	4750 127 +3.3
Zion Hold. 1	9100 32 -0.5

Trade & Services	
Mair Ezra	6610 5158 +18.2
Supersol 2	5550 100 +0.0
Delek r.	3250 2117 -0.9
Lightmer	15200 19 -
Cold Storage	2100 320 +3.8
Dan Hotels	4650 809 -
Varden Hotel	3101 210 -6.0
Hilon 1	16100 1 -2.1
Team 1	1680 392 -0.6

Real Estate, Building and Agriculture	
Asorim	710 11875 +3.0
Elion	490 9289 +2.7
Africa Int. 0.1	37150 47 -0.5
Dankner	4819 201 -0.0
Prop. & Bldg.	2720 814 -0.4
Beynais 0.1	4240 152 +2.4
ILDC	53580 98 -
Rasco r.	12815 251 +10.0
Mahadrin	7230 78 +1.1
Hadrin r.	1100 1107 +2.3

Industrials	
Dubek b	3470 300 -
Pri-Ze 1	1501 1078 -
Elime	8950 52 -
Adgar	15670 133 +3.6
Argaman r.	14100 98 -
Delta G 1	2730 825 -1.1
Marquette 1	26000 95 +2.8
Engle 1	12500 230 -2.5
Polgat	3551 732 -0.8
Schoellerh	15000 163 -
Rogosin	2880 165 -
Urdan 0.1 r.	8400 115 -0.6
Is. Can. Co. 1	1220 1330 +0.5
Zion Cables	2331 673 -
Peckar Steel	13111 352 +6.5
Elbit	364500 12 -

Elron	268000 70 -6.9
Art	23300 33 -
Clal Electronics	2030 2907 -
Spectronix 1	2010 510 +6.3
T.A.T. 1	3250 216 -9.5
Adlerstein 1	1520 295 -1.1
Agon 5	15300 78 +3.2
Alliance	2788 b.o.1 +5.0
Dexter	3415 58 +0.4
Fertilisers	5050 50 -2.9
Teve r.	633 12048 0.8
Dead Sea r.	58800 240 -1.5
Petrochem.	651 10074 +1.8
Neca Chem.	3410 121 +0.6
Fraser	12700 95 -
Hadera Paper	222900 29 -
Control Trade	6720 134 -0.3
Koor p.	5320000 0 -2.0
Clal Indus.	1269 10261 -

Investment Companies	
IDB Dev. r.	3850 6612 -1.0
Elion	3240 2183 -1.8
AFK 1	294 10803 -
Gahelot	1350 138 +0.7
Israel Corp. 1	8450 1413 +4.3
Wolfson 1 r.	110000 3 -1.8
Hapoalim Inv.	5150 86 +0.6
Leumi Invest.	no trading
Discount Invest.	2200 4312 -1.3
Mizrachi Invest.	15000 24 -0.7
Clal 10	840 7011 -
Landeco 0.1	7400 86 -
Pama 0.1	5105 138 -4.2

Oil Exploration	
Paz Oil Expl.	14650 42 +2.1
J.O.E.L.	2019 1541 -

Abbreviations:	
s.o. sellers only	b. borer
b.o. buyers only	r. registered

FINANCIAL DATA ISRAEL EUROPE U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day Pakam 30-Day
LEUMI	10.9	7-14 5%	8-15.50% 8-18.25%
HAPOLIM	28.8	8-15%	10-15.50% 12-15.50%
DISCOUNT	12.8	8-15%	8-16% 10-19%
MIZRAH	8.5	8-16%	6-15% 8-17%
FIRST INT'L	23.7	6-15%	7-17% 8-17%

Rates vary according to size of deposit.

(Tapes: demand deposit paying daily interest.

Pakam: fixed-term deposit available from 7 to 58 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (September 10, 1986)

CURRENCY	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.375	5.375	5.500
STG (100,000 marks)	8.625	8.500	8.375
DMK (100,000 marks)	3.625	3.625	3.625
SFR (50,000 francs)	3.375	3.375	3.375
YEN (5,000,000 yen)	3.250	3.125	3.125

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Scaled down summit

SO THERE finally is to be a summit in Alexandria, yes, even if one day later than originally scheduled. But no, it will not be anything like the summit that could rightly have been envisaged.

It is not that the meeting between Shimon Peres and Hosni Mubarak will not result in any breakthrough, notably on the peace front - meaning the Palestinian problem. A genuine breakthrough could not be expected because it had not been readied, and one-day summits produce only what was fed into them. The hope that the summit might yield some diplomatic "facts on the ground" faded some time ago.

The trouble with the coming Alexandria summit is that even the modest expectation of an improved general atmosphere between Israel and Egypt may now have been not just scaled down but dented by the cynical maneuverings of President Mubarak's rejectionist advisers. The most cordial reception for Mr. Peres and the best-documented grins and hand-shakes will not easily remove the bitter taste of the Egyptian stonewalling on Taba's Point 91 during this past week.

If the summit is held at all, it will be due less to the signing and ratification of the *compromis* than to Mr. Mubarak's fear of losing American aid and support.

The U.S. factor must have been taken into account by Mr. Peres in planning for the summit. But it plainly was not the only factor: the assumption doubtless was that the Egyptian president has a genuine stake in rebuilding his country's tottering bridges to Israel as the right route to a wider Middle East peace in which Egypt would take a leading role. But to Mr. Mubarak's foreign policy adviser, Osama el-Baz, the bridges Egypt needs to build are those that lead directly to the Arab capitals, and Israel is a mere dangerous diversion from the right route, and even an impediment.

Since the summit is presumably to be held, after all, it means that Dr. el-Baz was at the last moment overruled. But the identity of the person who effectively formulates Egyptian foreign policy remains in doubt.

The representatives of Egypt's hardline anti-Israel school who dwell right inside Mr. Mubarak's house have probably advised him that it is at best futile to make any deals with Mr. Peres, and that Israel's true mind is articulated by the intransigent premier-to-be, Yitzhak Shamir. But their own conduct will be grist to the mills of Israel's hardliners, who see the guarantee of the country's safety in the "iron fist" and not in any mutual concessions.

People of sense realize that the alternative to accommodation between Egypt and Israel - and between Israel and the Arabs in general - is not one-sided Israeli victory but all-round disaster. For that reason it must still be hoped against hope that the Alexandria summit will prove, in whatever small and inadequate measure, a success.

A matter of public morality

SINCE a number of Labour parliamentarians withdrew their signatures from a petition asking for an urgent Knesset session on the continued employment by the Shin Bet of its presidentially pardoned officials, the debate will not be held today. And since the Law Committee yesterday decided to shelve a discussion of present tense relations between lawyers of the State Attorney's Office and the pardoned Shin Bet lawyers, that forum will not be available for the purpose either.

The excuse for ducking the issue is that the prime minister, the civilian boss of the Shin Bet, is personally dealing with the matter. It is a poor excuse.

Mr. Peres has been dealing with the entire Shin Bet "affair" from its inception, if not before, and his manner of dealing with it has not escaped criticism. The least that the premier could have done after securing pardons for the Shin Bet director and three of his top aides last June was to make certain that none of them would ever work for the agency again. This he chose not to do.

True, the director, Avraham Shalom, was sped on his way out, where he will shortly be. But his three aides were reportedly assured that they could stay on, as though they had not admitted to the commission of grave criminal acts. This was apparently done on the understanding that the pardons had not only rendered all three of them immune to the judicial process but had literally wiped out their criminal records.

Yet even if there were some substance - which is debatable - to this legal interpretation, the opposite conclusion ought to have been reached on simple grounds of elementary public morality.

The lawyers at the State Attorney's Office would have been rightly condemned as traitors to their vocation had they nonchalantly agreed to cooperate with two of the three who are Shin Bet lawyers, and whose role in the "affair" was that of cunning subverters of justice. And the fact that the one non-lawyer among the three, whose assignment in the "affair" was to undermine the work of the Zorea Commission from within, has now been given a most sensitive job in the agency, is a matter of concern to all Israelis.

That this Shin Bet non-lawyer has not actually been promoted in rank is a matter of no consequence whatever. And it is equally a matter of no importance that the two lawyers might by now have left their posts if their scheduled departure had not been publicized. What does matter is that all three are still with the Shin Bet.

Herut members of the Law Committee yesterday sought to portray the newest Shin Bet controversy as a conflict between left-wingers and right-wingers. The true dispute, however, is between those, in whichever political camp, who hold the rule of law indispensable to Israel's very existence in the image in which it was created, and those who do not.

Behind absurdities lurks policy

David Krivine

WHAT makes Herutniks repellent to the liberal-minded public is not only their official policy, it is also - and more disturbingly - their style of thinking and *Weltanschauung*.

Their official policy is to ensure that Israel's frontiers encompass all of Mandatory Palestine. People who support territorial compromise disagree profoundly, but recognize that Herut's case is arguable. It is possible to vote for a Greater Israel, and still be a person of civilized opinions.

The style of thinking, however, as expressed by Herut leaders on day-to-day issues, is anything but civilized. Latest contribution is from cabinet minister Arik Sharon who attributes the carnage in the Istanbul synagogue last Saturday to the peace-seeking policies of Labour's leader, Prime Minister Shimon Peres.

What causes terrorism? It is a weapon used in international conflicts by the weaker side against the stronger. The hostility behind the Arab's terrorism derives from Israel's refusal to concede what the former consider to be their rights.

What I have never heard before is Sharon's theory that Arab terrorism derives from Israel's readiness to meet the dispossessed claimants halfway, hold negotiations and propose a compromise solution which should take the interests of both

sides into account.

Sharon sees this as a sign of weakness. Strength in his view consists of refusing all concessions. If Israel would only dig in its heels and tell the Palestinians that they are wasting their time because all Palestine belongs to the Jewish state, terrorism would abate.

Does he really believe that? Does he think that when Shamir becomes prime minister and closes the door on all peace options, the PLO and its associated organizations will proceed to see Israel as "strong" and therefore reduce their attacks on civilian Jewish targets?

BEHIND SHARON'S absurdities lurks a line of policy. Herut does not believe in peace, therefore it opposes peace-making. This standpoint can be discerned from that which took place, likewise during the weekend, in an interview with Eliahu Ben-Elissar of Herut on Israel Radio's English language *Spotlight* programme.

Though formally approving the proposed summit meeting between Peres and Egyptian President Hosni Mubarak, Ben-Elissar did everything he could to debunk it, concluding that nothing would come of such consultations. The Egyptians are hard bargainers, he said, they won't move towards normalization of relations unless Israel gives in over the Palestinians. As Israel cannot do anything of the kind, he concludes,

the meeting will be a waste of time.

In principle Ben-Elissar is right. Unless Israel gives in over the Palestinians, all meetings with Arab leaders, whether Hassan of Morocco or Mubarak or Hussein of Jordan, are probably a waste of time. What he fears is something else, that there could be a breakthrough - that Peres might agree to give territory away in exchange for peace.

If Shamir were in charge of the negotiations there would be no such fear, but then there would never be peace either. Ben-Elissar admits as much. It is he who stresses that the Egyptians are hard bargainers, that they will not give something for nothing. Clearly what he believes is that, when the chips are down, maximal borders without peace are better than peace without maximal borders.

Would the country agree to that? Herut does not pose the question because it dares not. It pretends that it seeks peace too, that it is eager for a settlement, that it advocates a settlement. Such talk is a deception. Herut leaders, Menachem Begin among them, have asserted repeatedly that Labour cannot make peace with the Arabs because the Arabs want more than Labour will concede. Herut claims that the Arabs will not agree to Labour's Allon plan because what the Arabs want is the return of all the West Bank, including East Jerusalem, Gaza and the Golan Heights.

Again Herut is right, for the moment at least. But the Allon plan is negotiable and some day it could be the basis for a settlement. Herut's Greater Israel plan is not negotiable. No Arab government or Arab political grouping or Arab individual, however moderate, will discuss it, neither today nor in the future.

As long as Herut are in power there is thus no hope of making peace. They know it but will not admit it. If they admit it they must also admit the consequences: a continuous state of siege, the conversion of all Arab moderates into extremists, in other words, eternal warfare. Sharon prefers to sail on the opposite tack. If Israel adopts Herut's plan of giving nothing away for peace, he says, there will be less terrorism, that is, less bloodshed (among the Jews at least). In other words there will be more peace. If his listeners believe that they will believe anything.

ANOTHER HERUT deceit concerns Area 9 in the Galilee. Land was taken away from Arab villages a long time ago to provide a training zone for the army. Now the army does not need it anymore, so the authorities decided to restore 3,000 dunams of confiscated land to the villages.

Up comes Uzi Landau of Herut and clamours that this is the beginning of the end. The Galilee is being Arabized.

So the truth is out at last. The land was not taken away from the villagers for defence needs. According to Landau it was taken away from the Arabs so that the Arabs should have less land. Sharon's quarrel at least is with foreigners in the occupied territories. Landau is quarrelling with his own fellow nationals, the Israeli Arabs.

In the occupied territories there is a different law for Arabs and Israelis, for reasons that can be defended. But inside Israel there is supposed to be one law for all, regardless of race, colour or creed. Not in Landau's philosophy. He advocates - not for the first time - treating the country's Arab citizens in a way in which he would not treat the country's Jewish citizens.

Herut's policies, therefore, cannot be taken at face-value. Behind each policy statement lurks something else. Shamir's party says aloud that the borders of Israel must include Judea, Samaria and Gaza. It does not say what rights and status it has in view for the population of these areas who, in a Greater Israel, will be Israeli citizens.

The rule of law has been taken for granted in Israel and until recently, no one would have thought that human rights were in question - that is, until the voice was heard of Arik Sharon. Uzi Landau, Geula Cohen and other frenzied members of the chauvinistic right.

The real issue in the flea-market flap

Asher Maniv

AS A LONG-TIME kibbutz member, I may not be too happy about the Mr. Elyahu flea market (the *pishpeshuk*). But the sudden outbreak of sanctimonious wrath in the name of kibbutz principles and the heart-rending concern for kibbutz values by all the self-appointed defenders of kibbutz faith (from the outside) can only make one smile. If those values are really as dear to their hearts as they profess, all we can do is to invite them to join us so

as to be able to watch over those values.

There are, of course, also those who use the flea market affair (in Israel, even fleas take on proportions of an "affair") as a convenient peg to hang their a priori condemnation, if not hatred, of the kibbutz. Those who enthusiastically applauded Menachem Begin's remark about the kibbutzniks being "millionaires in their swimming pools," isolating themselves from "ordinary" people, and now express contempt for a kibbutz going into small-time trade, are hardly worth arguing with.

Nor is there much point in trying to discuss the matter with the genuinely Orthodox. We have to respect their beliefs, but their conception of Shabbat is entirely different from that of the majority of Jews in Israel. All we can do is to try to prevent them from coercing us into a way of life we disagree with on principle.

However, when a mountain is made out of a flea, in the name of a more enlightened view of Shabbat observance, as was done by Yosef Goell ("Swat the Shabbat flea market", *The Jerusalem Post*, September 2), one can only wonder at the lack of proportion as well as the lack of consistency by the writer. He himself mentions, approvingly, that the majority of Jews want their day of rest "on the beaches and picnic grounds, on the football pitches and driving..."

His concern is firstly with the poor kibbutzniks who are made to work on the Shabbat - as if on the beaches, the picnic grounds, the football field and hundreds of other places all over the country no one else is working to provide food, drinks and a vast variety of other services to the general public. His further objection is to the possibility that "thousands and perhaps tens of thousands" will be attracted. But if restaurants, amusement parks, not to speak of cinemas and other less-refined places of entertainment are within the accepted limits of Goell's Shabbat, why should it bother him if Mr. Ordinary Israel finds his "Oneq Shabbat" not only in barbecues on every green-painted traffic island but also in bargain-hunting outings?

Even more misleading are his remarks about the economic aspect of the affair. According to him, Nir Elyahu's problems stem primarily from playing in the grey money market, which "landed the kibbutzim in scores if not hundreds of millions of dollars of debt." Even disregarding the quite unnecessary exaggeration ("hundreds"), this is simply not correct. How does he know if Nir Elyahu was involved? There have been some kibbutzniks, as well as

some kibbutz movement officials, who dealt in the grey market - and have been forcefully condemned by the movement. It would be difficult to find many other public institutions or organizations which have been as courageous and thorough-going in their self-examination as the kibbutz movement.

But in any case, all this has very little to do with the kibbutzniks' difficulties in making a living from farming and industry. Maybe, if movement funds had been in a better position, they could have more easily provided loans to the kibbutzim. But that would not have changed anything as far as agriculture and industry projects are concerned.

There have been hard times before, but it was Likud government policy (or rather lack of policy) which gradually ruined agriculture; it was the Likud government which made stock exchange speculation not only much more profitable but also more respectable than work; it was the Likud government which made us once more a nation of consumers rather than producers; indeed, it was the Likud government's declared aim to turn Israel into "a new Beirut, the financial centre of the Middle East"; and it was during Likud rule that, for the first time, economic growth dropped to nil.

TO BE FAIR one has to add that the present "national unity" government, except for bringing down inflation caused by Likud policies, has as yet done very little to make the productive branches of the economy more profitable. The high rate of interest constitutes a terrible burden on all productive enterprises, while private capital still prefers to live off its interest rather than invest for economic growth (which everybody, even Mr. Shultz, pays lip service to). At the same time, mainly because of Likud pressure, the government still persists in taxing income from labour but not from capital.

Yet Goell does not only blur the real responsibility for our economic straits, he adds: "If making a living excuses everything, then prostitution, drug pushing and loan sharking are guaranteed to do that even better than flea marketing."

Anything goes in order to insulate the kibbutz in the on the road to self-destruction. Does Goell not know the difference between legal and illegal ways of making a living? Or, for that matter, between morally

acceptable and morally unpermissible ways? Or does he wish to suggest that all trade (or perhaps only peddling for such purposes) is illegal or immoral?

Apparently, what he is trying to say is that not everything permissible to the citizens of Israel is permissible to the kibbutz. Perhaps there he has a point. If so, it is not a question of drugs or prostitution, of law or morals, but of values.

Such values, however, were never only kibbutz values. Although the kibbutz was considered their standard bearers, they were common to the majority in the Zionist movement, at least to all of Labour Zionism. Those are the values of what Goell rightly describes as "the ethos of changing our Diaspora nature, the aspiration to become once more a nation of producers." These are not matters for supposedly well-wishing outsiders to preach to the kibbutz - 3.5 per cent of the Jews of Israel, with little influence on policy-making - but they are still vital to Israel society as a whole.

A flea market is certainly not contributing anything to productivity, growth or the ideal of a new type of creative Jew. But, widespread accusations notwithstanding, the kibbutz is closely integrated in Israeli society. It may consider itself in opposition to dominant values, but it is not immune from influences of the social and cultural climate surrounding it.

Alas, what can we expect from a society which holds out the trade-made millionaire (even if he is a yored) as a shining example for all, while at the same time declaring cotton growing an "enemy of the people" (instead of subsidizing it during temporary recession, as other nations do)? What is the value system of a society which applauds its "business men" - in most cases, no more than financial wheeler-dealers who never produced anything except more and more money for themselves, until they go bankrupt, at public expense, but nevertheless would never "degrade" themselves to honest flea marketing in order to cover their debts?

Something, indeed, is very wrong with our ideological climate and our economic policy. Maybe the kibbutz is to blame for that as much as anybody else. But to use the occasion for kibbutz-baiting will certainly not solve the problems facing all of us.

(The writer is a Fellow of Yad Tabenkin, the research institute of the United Kibbutz Movement.)

Dry Bones



READERS' LETTERS

JEWISH TRENDS IN ISRAEL

To the Editor of *The Jerusalem Post*
Sir, - Your correspondent Rabbi Ralph Pelcovitz (Letters - August 11) denies the right of Reform and Conservative Judaism to equal treatment in Israel, since "these movements... are basically American imports." Can be point out on the map of Eretz Yisrael the locations of Belz, Ger and Lubavitch, where forms of Judaism originated which he accepts as authentic to Israel?

It is true that the *Shulchan Aruch* was written in Safed, but Joseph Caro was writing down the *minhag* of Spanish Jewry. The post of Ashkenazi chief rabbi was created by the British in 1921 to meet the needs of olim from Eastern Europe, who followed this code only in keeping with the additions made in 16th century Krakow by Moses Isserles.

The truth is that all the varieties of Judaism now practised in Israel are

APARTHEID

To the Editor of *The Jerusalem Post*
Sir, - In your issue of August 27, Mr. Peres is reported to have said, prior to his departure for Cameroon, that a Jew who supports apartheid is not a Jew.

For the record, my uncle, who resides in a small town in South Africa, is a full-fledged card-carrying member of the ruling Nationalist Party, has always supported apartheid (as I do), observes Shabbat, goes to synagogue and donates huge sums of money to Jewish causes, including Israel. Is he not a Jew? In his behaviour, he is as much a Jew as Mr. Peres is, if not more so.

By the above statement, Mr. Peres has lost his party another two votes - my wife's and mine - in the next election.

Y. JACOBI

Tel Aviv.

AFTER ROTATION

To the Editor of *The Jerusalem Post*
Sir, - I should not wish to be in Shimon Peres's shoes when, after rotation, he takes over the Ministry of Foreign Affairs and Yitzhak Shamir becomes Prime Minister.

With the possible exception of U.S. Secretary of State William Rogers' unhappy tenure of office under overbearing National Security Adviser Henry Kissinger, I cannot think of any foreign minister in history who was so snubbed and scorned as Mr. Shamir was by Mr. Peres.

Watch out for retaliation, Shimon! Jerusalem.

M. MANOR

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POSTSCRIPTS

POOR tribal women in central India believe that giving birth in jail brings

good luck because a baby born behind bars will be a perfect criminal, according to a news report.

The Boari and Mangardi tribes of Madhya Pradesh state are proud of their reputation as petty criminals, thieves and cattle rustlers - the United News of India reports, adding that such activity is the main occupation of the tribespeople.

Many pregnant women commit petty offences so they will be sent to jail and give birth there, the news agency reported.

The women even refuse bail to continue living inside jails and getting regular meals until they give birth, the agency quoted the district police superintendent as saying.

He told UNI that the tribal women believe a baby born in jail will be blessed with the ability to commit a perfect crime.

TIME

- * Terror strikes again - Karachi
- * The US and drugs
- * Moscow takes a hostage - journalist Nicholas Daniloff

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